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HENRY BALDWIN

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**SPEECHES**  
**OF**  
**HENRY BALDWIN, ESQ.**

**IN THE HOUSE OF REPRESENTATIVES,**

**ON THE BILLS**

***REPORTED BY HIM AS***

**CHAIRMAN OF THE COMMITTEE OF MANUFACTURES.**

**TOGETHER WITH THAT OF**

**MR. CLAY,**

**ON THE TARIFF BILL.**

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*Opinionum commenta delet dies, naturæ judicia confirmat.*

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REPORT

OF

THE HOUSE OF REPRESENTATIVES

IN THE HOUSE OF REPRESENTATIVES

ON THE BILLS

REPORTED BY THE

COMMITTEE ON THE COMMITTEE OF CONFERENCE

IN THE HOUSE OF REPRESENTATIVES

MR. CLAY

OF THE UNITED STATES

OF THE HOUSE OF REPRESENTATIVES

REPORTED BY

THE COMMITTEE ON THE COMMITTEE OF CONFERENCE

IN THE HOUSE OF REPRESENTATIVES

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OF THE HOUSE OF REPRESENTATIVES



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Chas. W. Gillingham

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*In accompanying them with the Speech of Mr. Clay, the cause of Domestic Industry is presented to the public in a still more interesting and popular light : He was the earliest advocate of equal protection on the floor of the House, and it was one of the last great subjects which employed his zeal and his eloquence.*



## SPEECH OF MR. BALDWIN,

IN FAVOUR OF THE NEW TARIFF BILL.



IN presenting this bill to the consideration of the house, it is proper that the views of the committee of manufactures be fully explained. The task assigned to them has been one of no ordinary interest; the subjects on which it has been their duty to act, may have an important bearing on the whole internal policy of this government; and the measures recommended are such as, in their opinion, will essentially benefit the nation. In maturing them, the committee have not as the gentleman from Massachusetts, (Mr. Fuller,) seemed to think considered themselves a private committee, acting on the private petitions of individuals, who sought support and encouragement from government at the expense of the rest of the nation—or examined the petitions or statements of manufacturers with a view of ascertaining whether their establishments are productive or losing. Their interest has not been a leading motive in our minds; it was of little importance to us; and if this bill, either in its general principles or its details, cannot be supported on national principles, we are willing that it should fall, and that its fate shall be ours. We have thought that this nation can never be flourishing or independent, unless it can supply from its own resources, its food, its clothing, and the means of defence; that to be dependent on foreign nations for the articles essential for these purposes, is inconsistent with true policy—and that the system which has entailed on us this dependence, must be radically changed. In a matter which involved so many interests, we found many embarrassments; among not the least of them, those which arose from the duties assigned to the different committees of this house. The committee of

manufactures was a new one ; its powers and duties were undefined by any rule ; the various subjects referred to them related as well to the revenue and commerce of the country, as its manufactures. It was our wish that each committee should act on its appropriate subjects, not to encroach on the jurisdiction of either, and it was our first intention to have reported a bill which should have related only to the manufactures of the country. But the house will recollect that, at a very early period of the session, a resolution was passed calling on the secretary of the treasury to report the effect on the revenue of a prohibition of woolens, cottons and iron ; that his reply was, that an increase of duty on those articles would impair the revenue and tend to introduce smuggling. This was a subject on which we knew the house was sensitive,—a deficit in the receipts of this year of five millions, had been officially announced by the treasury : the committee of ways and means had reported no bill, had recommended no means of filling the treasury, and to our repeated calls, had answered that none would be adopted by them. You now find that the result of all their deliberations have ended in the bill now on your table, authorising a loan of four millions ; two directly, and two from the sinking fund, to meet the ordinary expenses of the year. I did not approve of the resolution which had thus called on the secretary of the treasury to take a part in this great national controversy, and thought it not right in gentlemen to call in the influence of that department, against a large portion of the nation, struggling against what they conceived to be the indifference of our own, and the efforts of foreign governments. To have framed a bill confined to the sole object of promoting the manufactures of this nation, by imposing a high duty on those of others, the effect of which would have been still further to diminish a revenue already incompetent to our ordinary expenses, would have thrown us in the way of the very difficulty which gentlemen had so early foreseen, so carefully provided, the cry of rev-



enue, the treasury, and smuggling, would have effectually defeated all our projects. There was no other committee disposed to act in concert with us : left alone, the treasury report against an increase of duties ; the treasury itself empty ; the committee of ways and means unwilling to assist in filling it ; and yet called upon by the petitions of thousands of individuals to do something to protect the industry of the nation, the committee had no alternative but to abandon, subject to certain destruction, the great interest confided to their care, or to go to the extent of their jurisdiction, and report a system of which, while it would not injure the commerce, should aid the revenue and save the manufacturers of our country. In recommending a general revision of the existing tariff, we are sensible of being exposed to the imputation of encroaching on the province of other committees ; but as they have declined or refused to act, I hope no objections on this score will come from them. From the house I anticipate none—confident in the hope that they will enquire, not so much from what committee this bill emanated, as whether its provisions will promote the general welfare. And if, in the opinion of the house, this measure is called for by the distresses of the country—if it will tend to their relief, and to restore the nation to its former prosperity—if it is essential that such encouragement should ever be given to national industry as will enable us to supply the articles of our own consumption—you have the authority of the secretary of the treasury for saying this is the proper time. In his annual report on the finances, he tells you this in the most explicit language ; he tells you, too, that your present revenue is insufficient, you must increase it or diminish your expenditure. This is a time of profound peace, when our expenses are those only of an ordinary peace establishment ; no national calamity has befallen us—yet a loan is necessary for the present year, and a larger one will be required for the next. When a system of revenue has thus completely failed, and from the operation of plain and natural

causes, when we cannot flatter ourselves that, in the present state of the world, it can become better, but are certain that it must become worse, it is time to look to our situation and retrace our error. It is an unpleasant duty in any committee to be obliged to examine existing systems and recommend a change ; but it will be at once perceived that the nation which relies for the means of paying its expenses solely on imposts, must *encourage the importation and not the manufacture of its articles of consumption* : While this is its policy, its internal industry must be confined to articles, to pay for foreign fabrics which are imported ; with importations, revenue must diminish ; this has been the reason why all attempts to promote our own manufactures have hitherto failed, now the system must be changed ; you must either make perpetual loans, or open new sources of revenue, by giving a new turn to the labour of the nation. At all events, I beg gentlemen to consider that, to *me*, the danger to the treasury is no answer to this bill, if it is empty, it is not my fault, two short years since, I was in the proud minority of five that opposed the repeal of those taxes which, if continued, would have given you an abundant revenue : if, in their abolition, the encouragement of manufactures has been retarded, let no inconsistency be charged upon me ; if the system has failed, it is not because it has not had its full and fair operation, but because it is inconsistent with the present situation of this country and Europe. You may resort to temporary expedients ; but the people of this country will not consent to a continual accumulation of debt, in order to protract a system which can alone heal the general distress ; what must be done, should be done soon. The able and intelligent officer at the head of your finances, tells you this is the time : and I tell you, that you may as well avoid the approaches of old age or the stroke of death, as a change in your financial system. You must not wait till the voice of the people calls for it in language which you cannot resist, and when the revulsion will be so sudden as to shake

to its foundation the system to which gentlemen now cling so eagerly. If this miserable system of impost, as the exclusive source of revenue, is necessary for the support of commerce—if the internal industry of the country is to be checked and protracted till public opinion demands the change, let gentlemen beware lest all parts of the system go together: Those who now complain that the committee of manufactures propose too much, will, when that day arrives, (and come it must) regret the rejection of this bill, which proposes a change—gradual, but necessary for the prosperity of the country. In proposing it, the committee are aware that from one side of the house we shall be assailed with the cry of—“you will ruin commerce;” from the other, agriculture; and from all, smuggling and revenue. In telling us that commerce supports the government and furnishes its revenues, gentlemen do not know that the consumer of foreign goods, and not the foreigner or importer, pays the impost. The consumption of foreign produce, and not its importation, is the source of the revenue, a kind of taxation the more oppressive on the people, because by employing the merchant or collector, the consumer pays not only the amount of duties, but the accumulated profits of all the merchants through whose hands the article passes, from the custom house to the consumer. If the committee are censured for speaking thus plainly of a system on which this government has hitherto rested for its support, the house must recollect that at its organization, impost was only one, not the exclusive source of revenue. As soon as the debts of the revolution were assumed by the new congress, a system of excise and internal taxation was resorted to as a permanent means of paying the interest of the national debt;—During the administration of general Washington and his immediate successor, an excise on spirits, snuff, and snuff-mills, duties on refined sugar, licences to retailers, carriages, auctions, a stamp act and land tax were imposed. And let it not be forgotten that in the preamble to the act for laying an impost, the encour-



agement of domestic manufactures was one of the avowed objects of the law. This was the revenue system of the founders of our government; we do not attack, but rest upon it; it is the only one on which this nation can rely for permanent protection in a time of European peace; we must recur to it, unless another great convulsion should again derange all the institutions of the civilized world. The policy of this government was changed, not because it was found unwise but because the continuance of the war in Europe rendered it unnecessary; then other nations wanted our provisions; their price was such that the labour of this country was diverted from its natural course; instead of making, we imported articles of consumption; the impost was found sufficient for all our wants. But in the change of events, Europe can now feed herself; compete with us in other markets for our provisions: those nations from whom we import the most, now refuse to receive our produce at any price. Thus there has been a radical change in those relations with other nations, which gave the turn to our national industry: a wise legislature will and must shape its internal policy to meet the changes which make a revision necessary. The present is not a forced, but the natural and settled state of this country. The events of the last thirty years have been unparal- leled in history—we must not expect their recurrence at least in our time; it requires no reasoning to prove that measures calculated on a general war in Europe, will not suit a general peace;—they must and will be controlled by circumstances: we must look to facts, and profit by experience; effects will flow from causes; they cannot be averted or avoided; we must meet them sooner or later. And it is best not to attempt to conceal from ourselves or the nation, the necessity of coming back to the original system on which this government first commenced its operation.

In proposing the measures which the committee have reported, we have thought it best to avow the intention to be such a change in our internal policy, as will grad-

ually lead the people of this country to be independent of any other for the essential articles of subsistence and the means of defence, well knowing it is a thankless ungracious task. The manufacturers complain that too little, the merchants that any thing, and I well know that here it is thought that too much has been done. These measures have caused much excitement; this is not the time to expect that justice will be done to our motives, but the committee have this—and it is no small satisfaction, that though they have not pleased others, they have pleased themselves. Their system has been matured with much pains, and with the most anxious desire to relieve alike, all the suffering interests of the country; how far this bill is so calculated the house will judge, from an examination and comparison with the existing tariff, which I will now explain, begging that gentlemen will not forget one thing—that the *present revenue was a tariff bill, reported by the committee of ways and means*, more to aid the treasury than to protect the industry of the country. The report of Mr. Dallas was strongly in favour of domestic manufactures; yet, in that of the committee of ways and means, it is remarkable that the word manufactures is not mentioned; I presume that the gentleman from South Carolina, who was the chairman of that committee, had then the same opinion on this subject that he now entertains. When gentlemen complain of the extravagant protection that this bill affords to national industry, they are, perhaps, not aware that in general it exceeds but in a small degree that recommended in 1816, from the treasury—almost exclusively for revenue; they must not think it strange if a committee of manufactures, combining this with other great national objects, should have felt it their duty to propose some changes necessary to meet the calls of the country.

The bill proposes—

A duty of  $12\frac{1}{2}$  per cent. ad valorem on the articles enumerated in the first class, and 20 per cent. on all not enumerated, which embrace many manufactures,



but which it was thought best not to particularize. In the present tariff these were at  $7\frac{1}{2}$  and 15 per cent.—The committee could discern no good reason for leaving them at this low rate of duty, and were abundantly convinced that, for the double purpose of revenue and manufactures, the proposed rates were proper. It would be going too much in detail to trace the various rates of ad valorem duties from 1789 to 1804. In that year they were permanently fixed at  $12\frac{1}{2}$ , 15 and 20; with the addition of the Mediterranean fund, they were 15,  $17\frac{1}{2}$  and  $22\frac{1}{2}$ —continued so during the most prosperous period of our commerce and revenue in 1812, when the permanent duties were doubled, making  $27\frac{1}{2}$ ,  $32\frac{1}{2}$  and  $42\frac{1}{2}$ . They remained so until 1815, after the peace, when the Mediterranean fund ceased, and the duties remained till July, 1816, at the rates of 25, 30 and 40 per cent. ad valorem. Had they remained so, you would not have been assailed by general cries of distress from all parts of the nation; we should have enjoyed, not a nominal, but a real independence; our resources would not have been sent abroad to protect and reward the industry of others, to the ruin of our own merchants, manufacturers and farmers. But it was thought proper to reduce the duties, and the fear of smuggling, it seems, is assigned as the reason; I am not enough acquainted with the mysteries of commerce to know what is the smuggling point; Gentlemen may talk about it as they please, there is no evidence that our duties have ever been so high that there has been smuggling to any great extent. From 1804 to 1812, the lowest rate of duties was  $12\frac{1}{4}$  per cent. We heard no complaints of smuggling then; during the year 1815, and the first six months of 1816, the lowest duty was 25 per cent. the importation of ad valorem articles in 1815, amounted to eighty-six millions of dollars, and gentlemen are called on for the proof of smuggling. They must give reasons better than the mere suggestions of this danger, against this small increase of duties, which is, in effect, only coming back to the old rates before the

war. We are not to be deterred by threats of this kind ; and, judging from experience, have no fears that an increase of duties, even to the war rates, would produce this effect ; but if there was danger, it is no argument for us to be told, that this government is unable to enforce measures which are adopted as necessary to the general welfare ; we are not so weak, our laws are not so insufficient ; the rates proposed have been collected, and they can and will be collected if enacted ; when the danger becomes realized, it will be time to apply the remedy ; while it is merely fanciful, and, as I believe, held out to defeat the salutary provisions of this bill, I shall not deem it worthy of further notice. The next rate of duty is 25 per cent—in the present tariff these articles are rated at 20, but in the bill reported by the committee of ways and means, they were recommended at 22. I hope it will not be thought extravagant that we propose an addition of 3 per cent. Articles of copper are at present 25 per cent. One expression is changed, which will be found to apply to most of the ad valorem articles in this bill ; in the old tariff it is, “ material of chief value,” this creates great difficulty at the customhouse, where an article is composed of materials paying a different duty, it is generally entered as made of that which pays lowest—thus defrauding the revenue and injuring the manufacturer ; to avoid this, the committee have adopted the expression “ component material,” so that any article composed of mixed materials pays the duty of the highest. The house will observe that there is in this clause a drawback of the duties on sheet copper, used in building or repairing ships ; in the present tariff, “ copper, or brass in pigs, bars or plates suited to the sheathing of ships,” is duty free. Under this clause all sheet brass and copper imported, for whatever purpose, is embraced ; to the great injury of one class of manufacturers, and the diminution of the revenue. While the committee are fully disposed to protect that most noble manufacture, a ship, they are unwilling that any other advantage should be taken of a provision intend-

ed solely for this purpose ; it is believed that this object is fully answered by the proposed drawback ; it has been submitted to intelligent and experienced merchants and no objections have occurred. While on this subject I must notice some publications in which the committee are charged with hostility to commerce and ship-building, in raising the duty on sheathing copper and sail-duck. The best answer to the charge is, that it is not true ; in fact this bill proposes no change on either ; the duck is an important article of manufacture, for which we ought not to be dependent on any other nation, and which ought to be encouraged ; yet the committee were unwilling to interfere with it. We expect much abuse and have received no little ; but let me give one word of advice to those inclined to bestow it so liberally—read before you write.

The next clause proposes a duty of 33 per cent. on woollens. In Mr. Dallas' tariff it was proposed at 28,—on cottons of 33—the same as proposed by him ; both are now at 25 ; these being among the most important items in the bill, the house must indulge me in going fully into the reasons which have induced the committee to propose the additional duty. It would seem almost unnecessary to convince this house that the interest of the nation required that it should clothe itself ; that it ought to feed itself will not be denied ; yet food is not more necessary than raiment, and I cannot see how any people can be independent who must look abroad for that ; at all events, the committee have thought that, in bottoming this bill on this national principle, that we ought to feed, clothe, and be able to defend ourselves, we placed it on ground that could not easily be shaken. Our motives rise higher than the interest of manufacturers : whether they make or lose money now ; whether this bill tends to enrich one or another, or all classes of society, has scarcely entered into our consideration. *The nation must command its own consumption, its own means of defence.* The last war found us destitute,—I beg the house to remember what the gentleman from Kentucky told us the other day—



that our gallant soldiers were destitute of clothing, until the government connived at smuggling, to procure cloth from the nation with whom we were contending; national feeling, if not interest, should forbid the recurrence of such a scene—it shall not be charged on the committee of manufactures. If it was right in 1816 to impose a duty of 25 per cent. on woollens and cottons, principally with a view to revenue, there will be found a strong reason for its increase in the duties now imposed by the British government, of six pence sterling on every pound of wool, and six per cent. ad valorem on cotton wool, imported after the 5th January, 1820. Wool has been an article of export from this country to England; the new duty excludes it: the ports are now shut against your provisions, they will not permit their importation till the price of wheat is ten shillings sterling a bushel. Let those who complain that the agricultural interest will suffer by this bill, reflect on these facts; let the farmer decide whether it is most for his interest to purchase his clothing from the foreign manufacturer, who will purchase neither his wool nor his provisions, or the domestic one, who will give him a market for both: in his anxiety to guard against the profits which may accrue to his *neighbours* and *countrymen*, by the success of their manufactures, let him be sure that he falls into better hands by trusting himself to the liberality of foreigners. It is feared that there will be a monopoly and a desire of speculation, if our own countrymen can supply our demands; yet there seems to be no fear that our course of policy should give that monopoly to the British manufacturers. Hundreds, thousands of our citizens are out of employment; they would add infinitely to the national wealth, to our independence, and save its resources at home, if their labour was employed in converting our raw materials into fabrics for our own use; but it is contended that our true policy is to employ the labour of other nations, pay them the profits of their manufactures, for the purpose of directing the industry of ours to productions which can find no market abroad, and have

no value at home. These new duties imposed in England on wool and cotton, ought to awaken us to our situation ; no part of the country ought to be more alive to their effects than that from which the opposition to this measure is the greatest. England does not wish to encourage the cotton of America ; she gives you unequivocal indications of her policy : she will take it till her colonies can furnish her with supplies. Though her best customer, though she now depends on us for the raw material to support her manufactures, she takes wool from the continent, cotton from us ; but imposes heavy import duties, *which are paid by us who consume the manufactured articles*. We thus furnish her government with revenue, her labourers with employment, while ours are idle—I am afraid we are not aware of the bold and dangerous experiment we are trying ; we are now to decide on the course of internal policy which shall best develope the resources, promote the industry, and secure the independence of our country. Is there not some danger of our erring, by adopting the system which best accords with the views of the British government ? if it were submitted to them to choose a set of measures for us which would best promote their interest, we well know it would be such as would secure to their merchants, manufacturers and mechanics, the supply of all our articles of consumption and defence, to give to them the employment of the labour, and the profits of converting the raw materials into fabrics for us. It is the source of their national greatness ; the great object to which all their efforts are directed : their policy is most unyielding and unbending ; it has existed for ages, and been completed by a steady and uniform series of legislation ; they have not left things to “regulate themselves”—this has not been, it will not be their maxim ; but they wish to see it adopted by those who are to be the dupes of their policy. What is sound political economy there, is, it seems, the raving of madness, the result of empiricism ; yet it would excite some sensation in this house, if the ministers of England should formally present us



with a plan for our adoption ; we should at least inquire whether it was the result of their friendship to us, and whether it would not be as safe to trust to the opinion and advice of our own statesmen. To import only our raw materials and provisions, to be our exclusive merchants and carriers, was their colonial policy before the revolution ; the great men whose wisdom carried us through the struggle, did not then think that the system of internal policy, which was best calculated to secure our independence, and to coerce England to respect our rights, was to afford employment to her citizens, encouragement to her artificers, to the impoverishment of our own. The immortal congress of 1774, entered into an agreement not to export any produce to England, to import no goods from that country, to consume none made there ; and denounced, as enemies to American liberty, any person who would violate this agreement. It has never been charged on Bonaparte that he was deficient in foresight, or did not understand the mode of attacking his enemy : his continental system was not aimed at the influence or political power of England, but against her manufactures ; that he knew to be the source of her power and there he attacked her : to save them England fought and subsidized all Europe. There has been a strange revolution in the moral world, if the connection between causes and effects is now dissolved ; if the measures which, in 1774, were necessary to secure, would now be destructive of the great interests of this nation : we have been taught to look with veneration to that congress ; it is, indeed, a change when we forget their maxims ; and in contending with the same nation for the same rights, reject and spurn their principles as wild and ruinous, anxious to adopt those recommended by the ministry and political economists of England. This is, at all events, a dangerous experiment ; before we trust too much on it, we ought to be sure that the solid interest of this country, and not its destruction, is their governing principle. It will be said that more liberal ideas are now adopted by other nations,

that the principles of political economy are now better understood. France has been mentioned ; but when her tariff is examined it will be found to be more rigid, to contain more prohibitions than that of England ; as to us it contains some provisions which, I think, cannot fail to alarm the agriculturists, the cotton-planters of this country. It is worthy the attention of the house to look at their import duties on cotton wool :

From India	-	-	50 frs. per 100 kill. = 3 dls. per cwt.	
other countries out of Europe	40	"	"	4
entrepots	-	-	50 " cwt.	5
Turkey	-	-	15 " "	1 50
French colonies	-	-	10 " "	1

This short item contains much information and instruction : their whole tariff breathes against your agriculture and commerce a spirit of hostility as unequivocal as any regulation of England ; as to cotton, more so, it is a duty of four dollars per 100 pounds—equal to 20 per cent. ad valorem on the raw material, while England imposes only 6 ; that it is aimed at this country is evident from its being 2 dolls. 50 per 100 pound more than on cotton from Turkey, and 1 dollar more than from India. If it is a reason why the cotton of Turkey should be preferred on account of the profits of her trade, it cannot extend to India, to which they export little, but ought to bear lightly on us, as we are one of the best customers of France for her wines, brandy, silks, cotton and small wares. She requires our cotton now, but this duty is an earnest of what you may expect from her when she can procure a supply from her colonies or other countries ; she receives your tobacco, but takes care to exclude us from all chance of a competition in the market, by compelling a sale to the government, who buy at their own price. Rice from India pays 1 dollar per cwt.—from America 2 : thus we find the two nations with whom our intercourse is the greatest, pursue the same policy as to our great agricultural products, the only ones they receive from us—they are enriched by the manufacture of it ; we purchase immense quantities of their cottons and woolsens and silks ; these favours produce no relaxation

on their part. Our agriculture and manufactures are now prostrate, commerce goes next; with England it is safe, not because it can regulate itself, but because it is regulated by a convention, to the observance of which the national faith is pledged. With France we have none; your ships are now said to be virtually excluded from their ports; this part of your commerce is now to be protected by regulations—by a bill now on your table, laying 18 dollars per ton on French shipping. Their code, remember, is not the offspring of the age of benighted ignorance, prejudice, exploded theories, or of the man against whom all Europe combined; but adopted in 1817 by the government which has been restored by a common struggle, existing in all the effulgence of the light which has been shed on the subject by their own and English writers on political economy, who are not regarded by the governments where they live; whose books are for exportation, not for home consumption, and now for sale in your lobby, to enlighten you on the merits of this bill. It is a matter of much regret to me to find their opinions quoted with respect here, when they are disregarded where they are known. There is no country but this that studiously leaves her great concerns to regulate themselves; they are all guarded and preserved by regulations of the most rigorous kind, yet it seems to be expected that, when our establishments are obliged to contend with those of other countries—the latter, aided by all the force and influence of public opinion and legislation, ours can succeed against this unequal competition, the neglect of government and public prejudice. If the nations with whom we vie would adopt the same maxims, then the industry of this country would protect itself: all that is asked is to meet regulation by regulation, and thus make the competition fair and equal. Apply to their products the same rules that they apply to ours: if they tax our raw material, tax their manufactures to the encouragement of ours; if they exclude our provisions, exclude their products; let our legislation keep pace with theirs: then our industry will be



protected, foreign nations will be compelled to observe practically the rule which they discard from their code, but press into ours—"let things regulate themselves." I shall be satisfied with any course if it is uniform, no regulation,—or regulation against regulation. If these views, or any of them are correct, it will not be thought unreasonable that the committee have recommended an additional duty on cotton and woollens of eight per cent.—it is not so much a protecting as a countervailing duty, to counteract the new duties imposed in France and England on our cotton and wool. Had these duties existed or been known at the time of forming our present tariff, it is but reasonable to believe that the duty would have been higher; the proposed addition is certainly moderate and consistent with every principle of national interest; The minimum has not been changed. It is proper here to remark that, by estimating all cotton goods to have cost 25 cents a yard, and assessing the duty on that sum, the coarser cottons of India have been excluded; and I beg the house not to lose sight of one fact, which is admitted by all to be true, that *coarse domestic cottons are now made cheaper than they were ever imported*. The remark is equally true of nails, and every other article of which this country commands the consumption; the domestic competition will have this effect on every article; this fact ought to quiet the fears of gentlemen who affect to think that the encouragement of domestic industry tends to take from the many a bounty for the benefit of the few. Such has been the case in all other countries--those which exclude the importation of foreign fabrics, always undersell those who leave things to regulate themselves.—The experience of nations, for ages, cannot deceive us; it is at all events not safe to adopt theories and reject the lights of history and experience; let us follow the course which has led other nations to greatness—it will be time to prefer theory to fact, to adopt the dreams of speculative writers, when we shall have discovered that the principles which make others rich will impoverish us; that the

path which conducts others to wealth and power, will lead us to poverty and colonial dependance. In a word, that, if we sell more than we buy, if our income exceeds our expenditure, we are ruined ; that, if the farmer buys his goods from those who buy his produce, and give it a value at home which it has not abroad, he pays a bounty to the manufacturer.

It will be observed that this bill recommends an additional duty on cottons from beyond the Cape of Good Hope, of 7 per cent and of 10 on silks. It was done for these reasons : that the countries whence these articles are imported consume none of our raw materials, afford no market for our produce, employ none of the labour, and exhaust the specie of the country ; it is but fair that a preference should be given to the fabrics of those nations who receive from us something in return—There was an additional reason why the committee thought it best to make this discrimination—It is a matter of serious complaint that the duties imposed by the French government on American tonnage have nearly destroyed our commerce with France : It is now said to be cheaper to send a cargo there in a French ship, and pay freight, than in one of our's and pay none—the difference of the duties and charges is estimated at about 3,500 dollars a voyage. This is another consequence of the peace in Europe : every nation is now desirous of reclaiming its own commerce of carrying its own productions, and bringing back the articles it wants. We have had the carrying trade of the world ; the protection of our flag was wanted---now every flag protects itself---the commerce of other nations will be increased at the expense of ours. Regulations which are to produce this effect, cannot be called hostile or unfriendly ; they result from the desire which all governments ought to feel of protecting their own interest : it is equally vain for us to expect our commerce to be what it has been, as that the nations of Europe will give ours a preference to their own---(these are maxims reserved for our adoption.) How to shape our course of legislation on this subject, is a



matter of extreme difficulty.---Committees of this house have different plans ; a system of commercial warfare is recommended, in the hopes that France will relax in hers ; we have thought it safest to make an appeal, not to her fears, but to her interest---to give her a peace offering by preferring hers to the fabrics of India, rather than to provoke by excluding her ships from our ports ; as it affects merely the manufactures of the country, the latter would be the course to be pursued ; for if, in the prosecution of this war of legislation, she should exclude our cotton, the raisers of it will join us in creating a market at home. In thus recommending the measure which is opposed to the interest of those for whose exclusive benefit the committee are said to be acting, we hope to avoid the imputation of hostility to commerce. The navigation acts on your table are bold measures, designed to compel the two most powerful nations of Europe to give up their favourite systems of commercial and colonial policy ; not the expedients of yesterday or the moment, but settled, matured, and acted on for more than a century, which have entered into all their favourite plans of commercial and naval greatness. In such a contest there is much risk ; if these measures produce the desired effect, I shall not be among the last to rejoice : but if they fail—if, instead of saving, they destroy our commerce, of producing a relaxation, they only add rigour to the regulations they are intended to counteract, it shall not be charged on the committee of manufactures that it was a part of their system. Had these navigation acts emanated from us I well know the clamour that would have been excited ; as they have come from the commercial committee, they will be hailed by the mercantile interest, as the means of restoring commerce, and I hope they may prove so ; but having a different opinion, fearful that this measure would recoil upon us, destroying what it was intended to save, we have inserted this feature in the bill.

A duty of 25 per cent. is proposed on linen, and a minimus of 25 cents. The rate proposed by the com-

mittee of ways and means in 1816 was 20—it was fixed at 15; this is one of the most important items of domestic consumption; flax, the raw material raised in all parts of the country, is not an article of export to any great extent; linen is one of the most favoured manufactures of England, it pays no excise for home consumption, and the government pays a custom-house bounty of 25 per cent. (on coarse fabrics) when exported. Woollens and plain cottons receive none; the duty on them therefore operates for the double purpose of revenue and a preference of ours over the imported article; but as to linen, the present duty only operates as a tax on our own consumption, being ten per cent. less than the British export bounty—affording, contrary to all principles of a wise policy, a decided preference for the foreign manufacture. It is impossible to imagine any sound reason for leaving this most important article so wholly unprotected; in the present tariff, if the committee have erred, it is in not proposing a still higher rate of duty; on coarse linen it only equals the bounty, and then, so far as respects the competition with our fabrics, makes it duty free; on the finer, it has some small operation as a protecting duty. This increase of duty on linen has caused much complaint; the house will now judge with what reason this bill is called an extravagant one, other objections, when examined, will be found to have no more foundation than this.

The next clause proposes a duty of 30 per cent. on silk from India, 20 from other places—it now pays 15. No good reason could be discovered for so low a rate—it is an article used mostly by the rich; there is less danger of smuggling than on most others—it is imported only in large and valuable ships; and, if from India, is allowed to be landed only in specified ports; a very intelligent merchant from Boston, recommended a duty of 33 per cent. on all kinds, from every country alike; there will probably be no objection to the proposed increase. Raw silk is made duty free in this, though in the present tariff it paid the same duty as

the manufactured. Printed books are at 35, the same as proposed by Mr. Dallas in 1816—they pay 15 at present. Paper and leather—the raw materials, are now at 30; the manufactured article should be higher as it gives employment to much of the labour, and a market for many of the products of the country. If imported for colleges, &c. they are duty free; if for common sale, they are a most important article of consumption, and like others should be made at home: if for mere amusement or works of taste, they are fair subjects of revenue: none can better afford to pay taxes than men of leisure and wealth. If any gentleman thinks a discrimination ought to be made so as to impose a lower rate of duty on works of science and mere literature, there will be no objection. The other items in this clause are generally at 35 per cent—the same as recommended by Mr. Dallas, and in the present tariff are rated at 30. The house will thus perceive that on articles paying an ad valorem duty the proposed increase is generally from 5 to 10 per cent. If the only protection offered by this bill to the national industry consisted in the mere rate of duties, they will be found not to come up to what are generally called protecting, but would be justified for the mere purpose of revenue. The committee were sensible that if all the protection necessary was in the imposition of high duties, that the cry of extravagance and smuggling might defeat their measures: they have thought the object could be better accomplished by adding such provisions to the bill as would effectually secure the collection of the duties imposed, and so to apportion them as to produce not only revenue by the consumption, but be, in some measure, a discrimination between the foreign and domestic manufacture; in this view we hope that all will concur. The mode of ascertaining the value of goods on which a duty is to be assessed, has been attended with much difficulty; an almost constant war between the merchants and the officers of the customs, and has been often changed. The original mode of ascertaining the value “at the time and place of im-



portation," prescribed by the act of 1790, was the fairest and most equitable, as an ad valorem duty, it was in fact what it purported to be—so much per cent. on the value. But, as a different standard of valuation has long since been adopted, it was thought best not so much to alter as to modify it; the mode proposed in this bill has been pursued—but the committee are not tenacious on this point. There is, however, one feature in this clause which is deemed of infinite importance to the manufacturing interests, and which the house must indulge me with explaining. It is the addition to the valuation, of all *drawbacks, bounties, premiums and allowances*, which are paid by foreign governments on exportation, and assessing the ad valorem duty on the aggregate value thus ascertained. It is somewhat singular that our system of imposts which is avowedly for the double purpose of revenue and the protection of our own manufactures, should have overlooked this provision, which is indispensable for the latter. The house will at once perceive that if the foreign export bounty equals our impost duty on the same article, the duty is only a tax on the consumption of our citizens---the foreign article comes into the market on the same terms as the domestic; this is fully exemplified in the article of linen. The British government pay the exporter 25 per cent. bounty—ours charging the importer 25 per cent. import duty, it thence becomes duty free. At the present duty of 15 per cent. the importer has a clear profit of 10 per cent. after paying our duty: this is, certainly, left-handed protection to manufactures. Hence it is that, without inquiry into the cause, we are told you are unreasonable; no duties will satisfy you; the great reason why many of the present ones are incompetent is, that they are checked and rendered unavailing by this artful and masterly system of bounties and drawbacks. It is the true secret by which to account for the immense wealth and power of a nation whose population but little exceeds our own: she is too wise to trust to imposts as the sole source of revenue; commands her own

consumption, draws the chief support of her government by an excise on her manufactures; they afford materials and open new sources for commerce; her system of bounties enables her artificers to undersell other nations in their own ports, while her political economists mislead us by their speculative and ruinous theories. The article of linen fully illustrates her policy. Though her taxes and expences are enormously oppressive on the people, yet the makers of linen pay none—no excise on their materials or manufacture; to encourage this fabric, which unites the three great interests of agriculture, commerce and manufactures, she wisely apportions the burthens of her government so as to leave this unembarrassed. This accounts for the cheapness of the article at home, and, added to the enormous bounty on the export, gives the true reason for underselling us. Let the British abolish this system; let an article pay the same price for home consumption as for exportation, it will then be seen there is not much difference between manufacturing here and there. One article pays an enormous excise, another none; let them be equalized and neither have an export bounty; in the aggregate it will be found that we could meet them in market, if not without any, with a small rate of protecting duty. Let cottons, woollens and linens pay the same excise as glass, beer and spirits, and cost to the consumer in this country as much as they do in England, you would be called on for little further protection to our industry. The manufacturer of these articles pays no part of the expences of their government, is burthened with no taxes, because they are the sources of their greatness, the machinery by which they draw to themselves the resources of all nations who purchase them; retaining us, their commercial, naval and political rivals, in a state of colonial vassalage. It would be right and fair to aim at once at this system, by adding to the *ad valorem* a specific duty equal to the bounty paid and drawback of excise allowed on the exportation; then our duties might be called protecting ones, and be said to afford



efficient protection to our manufactures ; then the competition would be, on national and individual grounds, a fair one ; but the committee, aware that this is the first attempt to introduce such a principle into our code, that it would not be prudent to attempt too much at once, only propose to consider the bounty and drawback as a part of the original cost on which the duty is to be assessed. To exemplify this on linen, a duty of 25 per cent. would only counteract the bounty ; we recommend the addition of only one fourth of that amount, not to introduce a war of legislation, but in some measure to countervail the operation of their system ; increased duties will be inoperative when they are evaded by increased bounties. I hope these principles will meet the approbation of the house ; if they do not, all our laws will be vain : we had better say at once to those who want protection, “ let things regulate themselves.” If it is proper to act at all, we must act efficiently : the interests of our country are assailed by an enemy deep in his designs, persevering in their execution, governed by a spirit ever wake and watchful, deterred by no opposition, subdued by no difficulties ; the wisdom and the resources of a mighty empire directed to one great object—the supply of foreign nations with the articles of consumption. Great as she is we can meet her in open war, can beat her on the land, the water, and in the cabinet—but succumb in legislation ; become the dupes of her policy, quietly indifferent to the exhaustion of our resources, which flow to her in one constant, increasing current ; our dependence on her almost daily increasing, she exulting in the successful operations of her policy, relieved from the expense of governing us, enjoying all the benefits we could afford her as colonies. When other interests are endangered by foreign powers or regulation, you are not backward in resisting them at the risk of a war ; if a ship or cargo is seized, a seaman, native or naturalized, impressed, or discriminating duties imposed on tonnage, you do not leave things to “ regulate themselves ;” every thing is protected, every thing defend-

ed but manufactures; these alone are unworthy of national protection. Decrees and orders in council that embarrass commerce, are not suffered to operate unmolested; but a system of bounties and drawbacks, destructive not only of interests equally important, but in their consequences involving all in one common destruction, are practically opposed only by the favourite maxim, *leave us alone, let them regulate themselves*, I hope we shall extend it to all, or be consistent, and apply it to none. We are independent in name, have the powers of self-government; but tamely content ourselves with being dependent on our rival for articles of necessity and the means of defence: we cannot clothe or arm our soldiers, build or equip a navy, without procuring from England the means. National pride and honour ought to revolt at the degrading reflection. I hope to see the day when, in full command of our consumption and means of defence, our resources retained at home, our great interests safe from foreign competition, we shall be in fact, as well as name, free and independent states. This consummation will not be brought about by folding our arms, and leaving the industry of the country to regulate itself; it was not thus that, in the first punic war, you emerged from colonial dependence; that, in the second, you successfully defended your dearest national rights: before we can be what our resources enable us to attain, you must wage the third punic war—not of arms, but of legislation: assail our rival where she is vulnerable, in the source of our greatest danger; her systems of bounties, drawbacks and premiums, and in her manufactures where the congress of 1774 assailed her: go at least as far as self-defence will authorise—protect our own.

The bill proposes an additional duty on hemp of 20 dollars per ton; it was deemed necessary that, for an article of the first necessity, without which we could neither build nor equip a ship, we should not be dependent as we now are for the supply of foreign nations; in case of a war, all our naval preparations

might be suspended until it could be produced here ; it is so essential for national defence, that we must command enough for our own consumption. Viewed as an agricultural production, which was formerly raised in great quantities in the western states, but which has been destroyed by foreign competition, or as a manufacture, it equally deserves protection ; at a time when our provisions, excluded from foreign markets, do not command a price which pays the expense of cultivation ; when the agriculture of the country is as depressed as its manufactures, it needs at least so much protection as to enable it to compete with foreign productions. These reasons, it is hoped, will exempt the duty on this item from the charge of hostility to agriculture. This article now pays a duty of 30 dollars a ton, the wholesale price of which is two hundred and forty dollars, or equal to twelve and a half per cent. ad valorem : the proposed increase will be twenty-one per cent. If considered as a manufactured article, essential for consumption and defence, it is hoped that the propriety of the increased duty will be apparent, as it can be raised to an amount far beyond the demand ; the domestic competition will make the increased price on the imported article but temporary. The same apply to the additional duty on cotton, and the further one which must meet with general assent, that if the manufacturers of cotton supply the country with their fabrics, they ought to use our own raw material, and not import from India. The cotton-planters must not indulge in fancied security ; in 1817, the foreign cotton imported and consumed in the United States, was 1,700,000 pounds ; in 1818, 4,000,000 ; in 1819, it amounted to 6,700,000 : when they find it thus increasing, and France and England imposing high duties on its importation, they ought to be awakened to the necessity of at least securing the domestic market, not trusting entirely to the foreign : the day may not be very distant when they will find from experience, that their favourite maxim of " let us alone," will apply as little to agriculture as it now does practically to commerce.



I now come to two items on which the house will not only expect but require me to say something, *glass* and *iron*—one, infinitely interesting to the district, the other to the state I represent. It is best not to mince matters ; but to speak plainly ; this has been called a Pittsburgh, a cut glass bill, local, partial in its operations—and I have been charged with framing it from interested motives. Gentlemen had better be cautious how they use the word Pittsburgh as a name of reproach ; it may be like the term whig, one of pride and not of disgrace. I tell the house frankly, that I have not lost sight of the interest of Pittsburgh, and would never forgive myself if I had ; but the charges shall be met plainly, and if you are not convinced that the interests of that place are identified with the nation, that *cut* glass can be defended on national grounds then I agree, that Pittsburgh, its representative, its favorite manufacture, and the tariff, may go together. I will rest the whole bill on this item, and freely admit that the increase of duty on glass, plain, *not cut*, is among the greatest proposed. In selecting articles worthy of national protection, none are more eminently deserving of it than those, the raw materials of which are of no value for exportation—the conversion of which into articles for use, produces something out of nothing—turns into manufactures of the greatest value and beauty, the worthless produce of the earth—furnishes a market for the productions of the farmer, gives employment not only to labouring men, but boys who would otherwise contract habits of idleness and vice. The foreign material bears to the manufactured article the proportion of twenty-five cents to one hundred dollars ; the rest is the product of our own soil—small quantities of ashes and lead the principal material sand, which is fit for no other purpose, not even to make mortar—stone coal, the machinery. In the days of our prosperity we have made to the amount of a quarter of a million of dollars worth in a year : it was so much money extracted from the bowels of the earth by the labor of hundreds adding to the wealth and



comfort of all within the sphere of its action ; now we make I may say none. Will gentlemen tell me, who has profited by the change—the farmer, the laborer, our country, or the *foreign manufacturer*? Plain glass now pays an impost duty of twenty per-cent. it is proposed to raise it and make it specific ten cents a pound ; in England, the impost duty amounts to a prohibition—made there, it pays for home consumption, an excise of 4*l* 18*s.* sterling on the 100 weight—on exportation, there is a drawback of the excise, and a *custom bounty* of one pound five shillings sterling, making in all 6*l* 3*s.* equal to twenty-eight cents a pound between the price to the consumer in England and here. The custom house bounty alone amounts to near six cents a pound : and from this document, taken from the custom house in Boston, it appears that, in an invoice amounting to 129*l* in value, the British bounty amounts to 120 dollars, our import duty of 20 per cent. to 114, leaving a clear profit of six dollars ; with the addition of the excise draw-back on an invoice of 550 pounds sterling, the importer, after paying all export duties, freight insurance, commission and all charges makes a clear profit of 51*l*.—Has not this article peculiar claims on us for protection? The present duty is a mere tax on the consumer : it operates as no discrimination between ours and the industry of other nations ; but leaves it to struggle against the effects of a positive premium on importation. The proposed increase will not, as a protecting duty, amount to more than twenty per cent. ad valorem—on cut glass it is only proposed to add five per cent the duty is now thirty. I am aware of the objections to the duty on plain glass, and am sorry to find them come from manufactures, glass cutters, *not makers*, but importers of plain glass, who are not satisfied with thirty-five on cut glass, and represent plain as a raw material which ought to be duty free. In Pittsburgh, it is both made and cut, and the house will judge who is most actuated by national principles, which plan adds most to the sum of national wealth, industry and resources. Gentlemen

are mistaken in supposing mine an iron making—it is an iron buying, iron consuming district. The time has been when 6000 tons were purchased annually; not one of which was made in the district; But to the state of Pennsylvania it is of the utmost importance—it is her staple manufacture; to the nation the all essential article for private consumption and public defence. It ought to be less interesting to us whether it requires protection, whether the establishments for its manufacture are declining or prosperous—we can and must supply ourselves. Every part of the union abounds with the raw material, it is perfectly worthless for all other purposes; not fit for roads, the working of it not only employs much of the labour, but furnishes a market for much of the produce of our soil: these good effects are not confined to a small space; an instance of this occurs, in the fact that the iron works in the interior of our state, are supplied with bacon from Kentucky; the remark is true of this as of all other manufactures, that the farmer is among those who derive the most profit from their success.—It is matter of most perfect astonishment, that so important an article should have been not only so perfectly and wantonly abandoned by the present tariff, but pointedly selected for reprobation by a strange policy—which, whilst it raised the duties on most other articles, reduced that on iron nearly 100 per cent.—From 1804 until 1815, it was at seventeen and a half per cent. and until 1816 at 15—a duty which might have saved these interesting establishments thus apparently destroyed by design: pigs and castings in 1816, paid fifteen per cent. ad valorem: *bar iron nine dollars a ton*, equal to say nine per cent. ad valorem: in 1818 the duties were increased to fifty cents a hundred on pigs, seventy-five on castings and bar iron; in this house it was raised to twenty dollars a ton by a majority of forty-seven, but reduced in the senate to fifteen. Had the duty been a proportionate one in 1816, a rate lower than the one now proposed would have been sufficient to have insured a domestic sup-

ply ; but the reports of the treasury present us with facts which call for immediate and efficient interference. In 1818 the importation of bar iron exceeded sixteen thousand tons—in 1819 it amounted to near twenty thousand. The decrease of ad valorem importations in this year has exceeded \$19,000,000, while the increase of bar iron has been near four thousand tons. Comparing it with cotton, there are many more national reasons for its protection—the materials of one can be exported, but the other cannot: we send out of the country near \$2,000,000, annually, for an article we could make at home, and out of materials perfectly worthless in themselves. The rate of duty is not unreasonable in itself, or disproportionate to other items in this bill, or the old tariff. On the first of this month the wholesale price of it was, according to the New York and Philadelphia prices current, from 100 to 110 dollars a ton ; calculating on the price at the place of importation, the fairest mode of fixing an ad valorem duty, it would be twenty-five per cent. the same as on cottons and woollens now, and eight per cent. less than is proposed—five per cent. less than on leather and paper, in the present, and ten less than is proposed in this bill on the former. Considering it as an article abandoned in the former tariff, that what will restore the declining will not re-animate the dead ; that, in the embarrassment and distress of the last year, the importations have rapidly increased while others diminish. I confidently hope that to affording to this a protection equal to other articles, no objection will or can be made by those who *profess to be friendly to the system.*

Iron is certainly an article of necessity, but not more so than clothing ; it is called a raw material—we would as soon apply this term to a ball of cotton yarn or a piece of broad cloth. This word raw material is strangely misunderstood. The glass cutter calls plain glass ; the iron founder, pigs ; the rope-maker, hemp and flax ; the copper-smith and brazier, brass and copper in sheets and still bottoms, raw materials ;



while the makers of these articles call them manufactures, and petition for protection. I believe the safer rule is to consider that which is taken from the earth as the raw material, and every change in its form or value, by labour, as a manufacture, equally entitled to encouragement. It is certainly true policy to afford it to every thing which can be made at home; especially when the material can never become an article of export. The extent of the protection to be regulated by the amount of importation---the deficiency of revenue supplied by an excise on the manufacture protected. The increased duty on molasses has excited much opposition and some feeling; of those who seem to consider it partial and oppressive, I must ask a candid review of the principles on which this bill has been framed, the situation in which the committee has been placed and with an assurance that no feelings of mine can be gratified by bearing hard on my native country, beg them to look at this item on national grounds.---Pressed with petitions from every class of manufactures, praying for high duties on foreign articles which interfered with theirs, sensible that something ought to be done; yet beset with difficulties on all sides, unaided and alone, we were thrown on a forlorn hope: A partial local system would have insured its own defeat, a general one might impair the revenue; to avoid that, to shape our course to meet the interests of a nation so widely extended as this---one might almost say twenty two different nations, divided at least into great sections some engaged almost exclusively in agriculture, some in commercial and manufacturing pursuits, and some in all---was attended with uncommon trouble. We are not disappointed in finding other motives attributed to us, but disclaim all which are not founded on the general principles avowed by us. In proposing increased duties on the various articles in this bill, there seemed few if any on which so many reasons could be brought to bear. The article is bulky, cannot be smuggled; and aids the revenue---the transportation of it from the south employs as much shipping as from the West Indies---it cannot injure commerce; still less so if



you adopt the navigation act which stops the intercourse with the british islands. View it as a produce of the soil or a manufacture, it is as much entitled to protection as any other. This bill tends essentially to aid the manufactures of the northern and middle states; it is but fair that they should exchange them for the productions of the south; buy from their customers, their friends and countrymen. As an article of domestic consumption, it is not of much importance; to a family which consumes twenty gallons in a year, the increased duty is one dollar; the wages of one child employed in a factory, put in operation by this bill, which would otherwise be idle, would pay it in two days. If distilled, and the spirits exported, there is a drawback of the duty; if for home consumption the fairness of the duty is at once apparent. The present duty, on a gallon of the lowest proof rum is 42 cents—if distilled from molasses, it now pays  $7\frac{1}{2}$ ; at the proposed rate, 15—there can be no rational reason for this great difference, when an article of consumption is made from a foreign material which can be produced at home; if the domestic product is encouraged, the spirit distilled is duty free. With these strong reasons, the committee could not overlook this article—my mind is not better satisfied with any one in the bill; we could not, with any justice to ourselves, recommend to the house a system which should not embrace, as far as practicable, the interest of all alike. It is in vain to expect the concurrence of such a body as this to any measure of partial operation; take any one item in this bill, some part of the country will object to it; and if confined to one alone, there will be a majority against every one. Gentlemen must look to the whole, and not confine their enquiries to what bears hard on sectional interest—extend them to the benefits derived—viewed in this light, the balance will not be found against the part of the country from which the opposition of this duty principally comes. An increased duty of five cents a bushel is proposed on salt—most of the reasons which apply to others will to this article,

but there are some which do so exclusively ; if it is at all sound policy to command the consumption of our articles of necessity, it is emphatically so of this, which can be made any where, and for which, in a cessation of commercial intercourse, a most enormous price is imposed. It is a manufacture, the raw material of which is the ocean, the principal machinery the sun—nature does the greatest part of the labour—it is an important item of revenue. The present price in the interior is from one dollar to one dollar fifty cents per bushel ; on the sea coast say 70 cents—it is fair that such a duty should be laid as may tend in some measure to equalize the cost to the consumer.\* The duty on spirits is not altered—it is an important source of revenue and cannot be spared—the present rate is high ; the committee wished to have increased it to prohibition ; but it was not in their province to substitute an excise to supply the deficit of revenue. We well know that to take in one item, 2,500,000 dolls. from an already exhausted treasury, would destroy the whole bill ; yet I feel authorised to say, that none would more cheerfully concur in the prohibition of foreign spirits, and an excise on domestic, than the committee of manufactures. It may be proper here to observe, that that committee did not act on the items in the bill printed in italics, except brown sugar and molasses ; this list was furnished to us, with a view to revenue, by a gentleman whose situation brought that subject under his consideration—for any other purpose, we have no anxiety to retain it.

The fourth section allows a drawback of the duty on tin and copper when made up and exported ; this is a new feature in our system, but deemed necessary for the double purpose of aiding the manufactures and commerce of the country ; it would have been extended to other articles, but it was thought better not to make the bill too complicated, or to go too much into detail ; the foundation once laid, it can be built on

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\* The bounties on the fisheries were increased by an amendment to the bill 25 per cent. on account of the increased duty on salt.

hereafter. The manufacture of these articles for the West India market, would be a source of employment to our labour, and profit to the employer, if enabled to compete with the same articles made and imported by others; with a duty of 20 per cent. our workmen would be excluded—with this drawback they come in on equal terms. These articles present the commencement of a system which we must some day adopt, and which will make the foundation of our prosperity unshaken. It consists in imposing such an import duty as will secure us our home consumption; an excise on consumption (for revenue) on the exportation, a drawback of excise; thus making the manufacture of one article exemplify the policy and all the great objects of government. The remainder of the bill, except the 9th and 10th sections, is copied from the present law; those sections have been inserted with the sole view of guarding against frauds which exist to a very great extent, and which, if not checked, will completely counteract principles of vital importance to the system we have recommended. Fears have been entertained that the 10th section will be injurious to the fair commerce of the country; it is not so intended, and can be so modified as to secure the objects of the committee, without injuring an interest equally worthy of national protection as the one I am advocating; if it cannot, I will consent to strike it out; for I am no enemy to commerce.\* This is not the time to make professions; they will not be believed till the excitement occasioned by this and the other bills reported by the committee shall have subsided: when they are calmly examined, there will be found no evidence of a disposition to protect one at the expense of the other great interest of the nation: all are alike depressed, presenting equal claims on a government designed for the common benefit; struggling against foreign competition and regulations, all parts of the country require your protection. The committee, adopting the opinion of the treasury, that

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\* This section was stricken out on motion of Mr. B.



this was the proper time to effect a change in our internal relations, have not, in recommending this measure, overlooked these interests. It makes ample provision for revenue ; if the imports continue the same as in 1818, the increase duties add \$ 5,800,000. It must be matter of conjecture how far the diminished importation will equal or exceed the increased duties ; if the system of imports is alone to be relied on, if you will resort to no other, it is your duty to make the most of it—not to attempt to support it by loans and taking the sinking fund, as proposed by the committee of ways and means. If you will cling to it, I hope you will not reject this bill, because it aids manufactures as well as revenue—that those who are so sensitive on the state of the treasury and object to this, will propose a better mode of apportioning the burthens on the consumer. Pass this bill, reduce the credits of the custom-house, impose a duty on auction sales—you want no loan ; the cry of revenue will be hushed by an union of those who wish to fill the treasury and protect our own industry. But we understand each other very well : revenue is one of the alarm bells to defeat this bill ; those who raise it, well know that for the present it makes ample provision, but that for the future a new system must be adopted ; one which must combine the protection of the great interest which they oppose. As it is inevitable, it is better to come to it gradually ; if postponed till the voice of the country makes an imperative call, do not blame us if the revulsion is sudden and the shock violent. In five short years your impost has diminished from thirty-six millions to sixteen, more than three millions of which is now in suit. Your expenditures are twenty-six millions in a state of peace. It requires no spirit of prophecy to tell that the income will not meet the expences ;—you must resort to new means, to internal taxes, to excise. In using these words I will not be misunderstood : by internal taxes I mean, not direct ones on land, but on auctions, pleasure carriages, watches, expensive furniture, &c. in other words, those taxes on the rich and



money-making classes of society, which were repealed two years ago, when a temporary overflowing of the treasury induced you to abandon the original financial system of revenue and trust alone to imposts. By excise, I mean a tax on the domestic manufacture which is protected from foreign competition. Excise has been an odious term, but it will soon be understood and divested of its terrors. To the consumer it makes no difference, whether he pays to the merchant two dollars impost on a pair of boots, or the same amount of excise to a shoemaker; to a farmer, whether he pays five dollars impost on his coat, or five dollars excise to the manufacturer. There is indeed one difference, and that contains the sum and substance of political economy—he can pay the manufacturer in wool and provisions: the merchant he must pay in money; he must remit it to England—she excludes our produce and raw material. This illustrates the difference between impost and excise; the first turns the whole attention of the government to encourage the importation of foreign productions, as the means of imposing a tax on the consumer. If the country commands its own consumption, importation and imposts cease; now every thing becomes subservient to revenue and to commerce, as the means of transporting the instruments of taxation; such a system necessarily checks, if not destroys our internal industry; domestic manufactures paying no tax, the encouragement of foreign is the inevitable consequence.

Whether this system is beneficial to the nation, is no longer a matter of opinion, but of history. The late war totally destroyed the imposts; you were left without revenue; foreign importation ceasing, the manufactures of the country sprung up and flourished.—Amid all the pressure and privations of the war, the people grew rich, and were able to pay taxes to the amount of 12,000,000 in one year; how much could they afford to pay now? The peace found the national resources untouched, the nation strong, and the people contented: while the war duties continued there

were no complaints; revenue was abundant; commerce flourished; manufactures prospered; farmers rolled in wealth:—not a murmur was heard against taxes; even when you repealed them there was but one solitary petition on your table praying for the measure. It was most strange, after this experience of the salutary effects of the then state of things, that there should have been a recurrence to the old system; which must be again abandoned on every fluctuation of our commerce and foreign relations—which can never be permanent, but is in its nature temporary, resulting from the chapter of accidents relied on by no nation but ours, and by us found insufficient by experience. Even at this moment, when our opponents are so alarmed about it, we have made up our minds to vote for a loan after this bill shall have been defeated; for fear it will impair this noble and beautiful system of impost. You will, before you adjourn, contradict your declaration, that the system is good and the revenue sound, by a “be it enacted,” and the legislative declarations of the three branches of the government, pronounce that it is found wanting. This is no time for concealment; the house will not understand me as attempting to disguise my views on this subject; if national industry is ever to be protected; if we are ever to command our own consumption, the system of revenue must be changed—part impost, part excise.—While you rely exclusively on the first, it is in vain to expect that sound measures of national policy can ever be adopted. A temporary check on foreign importations may, for a time, give a favourable turn to the labour of the nation; but in their recurrence our establishments must fall. Do nothing, or do something permanent and efficient, so that there may be some assurance that the national industry will not be exposed to abandonment by every varying motion of foreign policy. Restore a confidence now destroyed; bottom your revenue on the manufactures of the country; then both are placed on a foundation which combines the support of the government with the best interests of the nation.

We are told this bill will destroy commerce : this is not an unexpected alarm : it was raised when the last tariff was passed ; it is equally loud when any measure is proposed which adds a cent or a dollar to a duty on importation ; joined with smuggling, we shall always hear the cry repeated when any measure is proposed not tending to the exclusive benefit of that interest. I had indulged a hope that, at this time, when the commerce of the country was as prostrate as our manufactures, when both are pressing us for protection from the same dangers, that its friends would have made common cause, and joined in a common struggle for self-preservation. The hope was not a sanguine one : commerce has been too long a pet, the spoiled child of government, to think there are any other interests worth protecting. The mere creature of legislation, raised to importance by our laws and the expenditure of a great portion of our revenue for its support, commerce has presented herself as the Atlas which supports the government, the country, and all its great interests ; now, it seems, she cannot support herself : yet, while approaching you in a suppliant posture, praying for a bankrupt law to save her merchants, navigation acts, her shipping, she still retains the spirit, still thinks that all legislation must be for her benefit, boldly claiming the rights of primogeniture ; loudly protesting that any thing done for the other children of the nation is her destruction. While this is commerce, “ I am against it ; ” but if she claims equal protection, or even a double portion in her favour, I will go as far as any man in this house to support the fair trade of the country. Important as I think manufactures, commerce is no less so ; but I must be understood as not meaning that commerce which is confined to the export of raw materials and the import of manufactures for home consumption, which adds nothing to the labour and wealth of the nation—only draws from the consumer what he ought to retain at home, our resources, to enrich other nations ; but that commerce which, by the carrying trade, the export of foreign produce,



and our own manufactures, draws wealth from others to us—equally promoting the great interests of the country. The friends of commerce may boast of its importance and profits, yet they well know that even to the merchant, the export of provisions and import of goods for domestic consumption, has been a losing business. Examine their ledgers for the last 30 years: they will find it would have been cheaper to have bought bills than to remit produce; I well know that the export of produce down the Ohio has been unproductive; the first cost has never come back to our country; the history of the country, the public documents on your table, prove the facts, as to the sea-ports, that the only profitable commerce has been the carrying trade—the re-export, the drawback system, the same for which a permanent foundation has been laid in this bill.

It is admitted, that the most flourishing period of our commerce was from 1802 to 1812, the best years 1806 and 1807; it has been declining since the peace: 1816 and 1817 very bad years—the worst was 1818; yet the average amount of exports for the first period was less than in 1818 by one million. There was this remarkable difference from 1802 to 1812, the average

exports amounted to	-	-	-	-	69,171,000
Domestic produce,	-	38,157,000	-	foreign,	31,014,000
1818, whole am't. of exports,	-	-	-	-	70,142,000
Domestic produce,	50,976,000,	-	-	foreign,	19,165,000
1806, nett revenue	-	16,081,000	-	drawbacks,	9,709,000
1807,	-	16,493,000,	-	-	9,995,000
1818, revenue received,	25,832,000,	-	-	drawback,	3,343,000
1816	-	32,786,000,	-	-	4,850,000
1817,	-	22,082,000,	-	-	3,937,000

These facts present you with a history and account for the rise and decline of commerce, as well as manufactures; they require no comment, but afford much for reflection; they show the kind of commerce worth protecting, in which I will be behind no one, at all hazards—even of a war. Left now only in the enjoyment of the export of our produce and the importation of articles for consumption, we are losing the carrying trade—not for the want of laws to protect it, but for this evident reason, that the commercial nations of Eu-



rope can be their own carriers, import directly from their own colonies: they are not to be diverted by navigation acts; other means must be adopted to restore our commerce and give employment to our shipping; we must do as all other nations have done—make ourselves carriers by creating materials for trade. None ever became so by being the consumers of the manufactures of others. In a settled state of things, commerce cannot exist without manufactures; the one is the basis and affords the materials of the other. While it is thought bad policy to supply ourselves, we cannot expect to supply others—it is in vain to hope for employment for our ships when we have nothing to export which will pay expences—equally vain to place our faith in measures intended to coerce its employment by other nations, in opposition to their interest. Ships, commerce, and colonies, is their maxim, it would be ours in like circumstances.

The agricultural class of the country seems alarmed at this bill; with what reason it is certainly difficult to divine. Their situation is not more enviable than that of the other great interests. The ports of Europe, and the British West Indies are closed against their provisions; some are actually imported for our own consumption. Havanna has been a good market; the last accounts from that place represent the “market completely glutted with provisions. Rice dull at 5 dollars; flour 13—duties 9; upwards of 20,000 barrels had arrived there from ports in France, and from St. Andero, in Spain, and further supplies expected from the same quarter.” Wheat in the interior 37½ cents a bushel; flour at your farms 3 dollars, and in the seaports 4—excluded from foreign markets, you complain that we are about creating a domestic one.

Thus it is when the time has arrived in which all the great interests in the country, being equally prostrate, and one general scene of distress pervading all its parts, there was a reasonable hope of a union of sentiment, and a common effort to restore us to what we were, when the path we propose is consistent with the

experience of all nations as well as our own, we are met on all sides with the chilling cry of *let us alone, leave us to regulate ourselves*. You have regulated yourselves till legislation is necessary to restore. Remember, if the revenue has failed, if commerce is without employment, and agriculture has no market, manufactures have not caused it. One would think in hearing the various cries of danger from this source, that they were progressing with giant strides, till their interest had become a Brobdinagian among the Lilliputs. It seems to be forgotten that it is writhing almost in the agonies of death; far from being able to injure others, it cannot save itself, and is as low as its worst enemies could wish it. All have alike sunk beneath the effects of foreign policy and your indifference—laid low alike—struggling side by side; the three great interests of the country are to be restored only by your interference: they call to you in sepulchral tones, equally to warn you of past errors and imploring for future aid. But, sir, listen to all alike: do not let revenue, crying for a loan, commerce for bankrupt and navigation acts, drown the voice of manufactures, asking for protection; do not, after imparting your favours with a liberal hand to the others, reply to the calls of this great interest “*regulate yourselves*”: you will not say to commerce, you will give her regulations, and enter on a legislative commercial war for her protection;—but you will poorly answer to the nation for your partiality,—that *it is of no national importance who produces, raises, or makes our articles for consumption; that may regulate itself*: It is alone worthy of our interference *who shall bring them here from foreign countries—that we will regulate*.

We have been called on by the gentleman from South Carolina for the evidence on which the committee have acted: of the description referred to in his resolution we have none; and I tell that gentleman plainly, that the committee of manufactures have not acted, and would not act on the statements or even the affidavits of interested persons. Others may make motives

for us ; but we shall not avow what we disdain. I refer him for the information on which we have acted, to the commercial codes of other countries, our own official documents from the treasury—to the able reports of the committee of commerce, of the secretary of the treasury, and to one which deserves particular notice from being presented by himself—the bill reported by the committee of ways and means in 1816. I repeat it, that the profit of manufactures has not been our leading motive, but the public national interest; *this nation must command its own consumption and the means of defence.* The treasury report tells us that the *ad valorem* imports of 1818 are 58,000,000, dollars, our domestic exports only 50,000,000, dollars. This must be changed; we must buy less than we sell. There is one *domestic* work on political economy, better than any *imported*; containing more sound political maxims than any I ever read; the almanacs of “Richard Saunders.” He says, “if you keep taking out of the meal chest and put nothing in, it will become empty.”

This is the state of the nation; an enormous flood of importation has swept before it the industry of the country; 36,000,000 of imports a year have exhausted its resources—it is literally empty.—Look where you will you find property depressed, produce declining, labourers seeking employment,—nothing increasing but debts, suits, and forced sales. The sound of a hammer does not disturb you, unless the constable’s, sheriff’s, or auctioneer’s. If the petitions on your table do not give the true cause of this,—if, when manufacturers and farmers are joining in their applications for the protection of national industry, you want other evidence of the general distress—let each member of this house say what is the situation of his own district. Many of them have seen manufactures flourish; did farmers then suffer?—Have their practical operations ever been injurious to any portion of the country? We have tried the systems of supplying ourselves and depending on foreign nations; those who have seen the effects of both can best judge of the



merits of this bill. But if you want other evidence of the cause of this universal distress, and to find out an effectual remedy, do not disregard the unanimous opinion of the legislature of New-York, expressed in instructions to her delegation here. This is the voice of 1,200,000 freemen. When a nation thus complains, we are not to enquire if women and children cry.—Pennsylvania speaks in a still more decided tone—not of instruction or complaint, but by a *stop law* to prevent the sale of real and personal property in execution, unless it sells for two thirds of its appraised value. It is time to reflect when such a state speaks in language like this. Five years ago she was the richest in the union ; her property was valued under your authority at 346 millions—New York at 273 millions : she has been and yet is a proud state—fertile in resources, strong in her institutions, she stood the shock of the revolution, the consequent peace, the embargo, and the late war, unhurt. But she could not withstand the destruction of her manufactures, the prostration of her industry, the deluge of importations, your enormous imposts ; she has yielded to the pressure of general distress, and, for the first time in her history, has been obliged to resort to a stop law to save the persons and property of her citizens. All must regret the necessity—the other states have not resorted to the same measure : they may have as much necessity ; one county in Virginia, I see by the paper of to-day, has passed a stop law of its own, by refusing to appoint any officers to enforce the collection of debts. Sir, this state of things affords abundant evidence of the necessity of your acting, you have tried the present system till all the interests of the country are alike destroyed. Give this one a fair trial—you can be no worse, unless you persevere in a policy which was founded on a state of things which no longer exists—which will increase the national distress in proportion to its continuance. Adopt a system founded on those plain practical principles which have been sanctioned by experience, and can never be destroyed by a storm, which will pass the country unhurt.

## NOTE.

The navigation acts have been passed ; the West India, with one dissenting voice in the senate—in the house, by a vote of ayes 94, noes 25: the French, without discussion, or even a division in either house—there was *one* no heard in the house of representatives. This furnishes a good practical commentary on the favorite maxim of “leave things alone.”—it cannot be expected to pass without comment. No subject will better explain the actual policy of this government in relation to their internal concerns. The French navigation act has been called for by the great body of merchants, who complain that the French tariff excludes entirely the employment of American shipping: to counteract this we have imposed a duty of eighteen dollars a ton on French vessels arriving after the 1st of July next. It is well to compare the discriminating duties of the two nations. Our tonnage duty is fifty cents light money, the same in all—one dollar a ton on foreign ships: the French is ninety cents—ten cents less than her ships pay here. The French duty most complained of is on the import of our produce—we impose an addition to the rates of duties of ten per cent. on all goods imported in foreign vessels of those nations who have no convention with us. France imposes on cotton a duty of four dollars a hundred imported in French ships; five dollars and fifty cents in foreign; if from an entrepot, five in French—five dollars and fifty cents in foreign vessels. Tobacco, in French ships free—foreign one dollar a hundred. To ascertain who is the aggressor in this contest, who first began this discrimination on tonnage and goods whether it is in self-defence or from a spirit of monopoly, and on which side, may be sometime worthy at least of examination. If the conduct of France has been unprovoked, if she first began this warfare and we are on the defensive and prefer retaliation to conciliation, there are two modes of counteracting it—a tonnage duty, which would exclude French shipping, or a duty on *their manufactures, which would compel them to reduce theirs on our raw material*. The first has been adopted, its operation is only in favour of the *merchant*; the second was rejected: it would have benefitted the *manufacturer* and the farmer, and been of equal service to commerce. The heavy discriminating duty is on our *produce*, not tonnage. The principle of equal protection should have embraced all interests alike—it has been confined to the *carrier* and the *producer*: and the *manufacturer* has been overlooked. The rights of primogeniture have been successfully asserted, and unanimously sanctioned. Will France give way or retaliate? In the latter event, let the agriculturist look to the exclusion of his produce; the shipping interest can only be reached through the products which give it employment—the cotton planters have unanimously opposed the protection of manufactures and advocated the navigation acts; they have thrown their entire weight into the scale of commerce. The *consumption* of their cotton was unworthy of their notice. The *carrying* of it has induced them to join in a commercial war, which may terminate against their interests. Mr. Gallatin states that we imported ‘60,000,000 of the produce of French industry, more than two thirds the produce of modes and luxuries manufactured at Paris, and of Lyons’ silks exported from Havre, exclusive of wines, brandies and dried fruits, and other articles of that nature.’ One would think that this fact would have assured to a statesman the point in which to attack France: exclude her manufactures from our market, or impose a duty equal to hers. That however seems not to be consistent with the rules of political economists—it would give employment to *our* labourers infuse life and new spirit into *our* manufacturers. A reduction of import duties would increase the price of the raw material to the *farmer*, diminish it to the *consumer* of the manufacture—these are considerations which have excited no attention. The great *national* contest now is, whether the duties shall be the same, whether imported in French or American vessels. Let the cotton, tobacco and rice planter look out. The day may come when the sugar planter may find it would have been as well to have excluded the *produce* of the British islands, as the *carrying* of it in British vessels.





## SPEECH OF MR. BALDWIN,

ON THE PROMPT PAYMENT OF DUTIES.

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In commencing its operations, our government justly deemed it of great importance to give every facility to the commerce of the country. There was then peace in Europe. Commerce was principally in the hands of two nations, whose capital was so abundant that in Holland, it was said not to be a bad business for a merchant, by his labours and the employment of his money, to realize six per cent. In England, an unequivocal evidence of the extent of unemployed capital was, that their three per cent. stocks were in the market at 93 per centum. It was no part of the policy of these nations to give aids to commerce by affording credits at their custom houses, on the importation of goods; it was not necessary. In this country the case was different. The period which immediately succeeded the revolution was one of unexampled embarrassment, from which we were just recovering when the new government was organized. There was but little capital in the country. Its commerce was mostly carried on by foreigners, whose superior capital gave them great advantages in competition with our citizens; it thus became necessary to divert trade from its accustomed channels, by every possible facility. Imposts were the principal source of revenue—merchants, the agents to collect it from the people. Credits for the duties were allowed them, not only to give time to collect from consumers, but as a mean of increasing their capital, by retaining and having the use of the money until their bonds became due. In 1789, the credit allowed on goods from the West Indies, was four months; on Madeira wines, twelve months; on all other goods, six months. In 1790, a credit was given on teas from China, of twelve months. In 1795, the credits on

goods from the West Indies. was altered to three and six months ; from Europe, to eight, ten and twelve months. In 1799, a general system was adopted : from the West Indies, half in three, half in six months ; salt, nine months ; wines twelve months ; from Europe one third each in eight, ten and twelve months ; other than from Europe, half in six, and one-fourth each in nine and twelve months ; teas as other goods or at the option of the importer, to be deposited and bonds given at two years, and to be sold for the duties if the bonds were not duly paid. In 1805, all importations from the eastern coast of America, N. of the equator, were allowed the same credits as those from the West Indies. In 1818, the credit on such importations was extended to six and nine months ; on those from other countries than Europe and the West Indies, (salt, wines and teas, excepted) to eight, ten and eighteen months, one third being payable at each of these periods. No alteration has since been made, so that the credits now are—

On the duties on importations from the West Indies, and north of the equator, (excepting Europe) half in six, and half in nine months.

From Europe, one third in eight, one third in ten, and one third in twelve months.

Of wines, twelve months.

Of salt, nine months.

Of teas, one-third in eight, one third in ten, and one third in twelve months ; or, if deposited, twenty-four months.

While our commerce was struggling to compete with that of other nations, there were good reasons for allowing liberal credits on the duties, but when the French revolution threw the commerce of the world into our hands, when the capital of foreigners was employed by our merchants, the use of it being amply compensated by the protection of our flag, there would seem to have been no very powerful reasons for taxing consumers to create or enlarge the capital of merchants, for such is the immediate effect of custom-house cred-

its. It is understood to be the custom of merchants to calculate their profits on the aggregate cost of goods including charges and duties. The amount of duties is, in effect, a loan from the government to the merchant, which becomes a part of his capital, and is as productive as the money he has actually remitted in payment for his goods. It would seem, then, to be as reasonable that he should furnish this, as that he should furnish the other portion of his capital. When the credit on the duties, exceeds that allowed on sales to retailers, it affords to the importer the further advantage of the active use of the money which has been drawn from those who really pay the duties.

It would have been more consistent with general principles, if, in the infancy and during the hard struggle of our commerce, liberal credits had been given, and they had been gradually diminished, as there was less occasion for them. The reverse, however, has been our policy—Though, during the period of short credits, our commerce was constantly and rapidly increasing; and not content with a fair division with other nations, was attaining a monopoly; yet the credits were extended in proportion as the real necessity for them diminished. Even so late as 1819, when our East India merchants had acquired vast wealth, abundant capital, and were without foreign competition, their credits were in part extended to eighteen months—a longer period, I will venture to say, than they give their customers. The consequence of this system is, that by selling at auction for cash, or on short credit for notes which can be discounted at bank, the amount of duties thus loaned, may be invested in a new voyage. Generally one, and often two adventures, may be completed before the duties on the first are due.

We have lately heard much of the favorite commercial maxim, "Let us alone, let trade regulate itself." The practical application of this maxim, is developed by this custom-house system. Our legislation on this subject has been uniformly progressive. Regulation



has indeed followed regulation ; but it has been, to give additional facilities to commerce. The credits at the custom-house have been often altered ; but in every case they have been increased. Our statute book does not contain a solitary instance of a credit diminished. This system, having been coeval with our government, followed up by a series of acts for thirty years, is now viewed as the natural and established order of things ; as a matter of right, not of favour. Extending the credit, means, “let us alone ;” to reduce it to the old terms, is to destroy the commerce of the country. It is worth while to look at the practical illustration of this rule in the act of 1818, the *last* law on the subject, passed on the *last* day of the session. The East India credits were extended to eighteen months, in the *last* line of the *last* clause in the *last* section of a bill for the *deposit of wines and spirits*, and for other purposes. It might be well to enquire into the evidence on which this measure was reported. It is at least to be hoped, that from whatever other quarter it may come, the doctrine of “letting things regulate themselves,” will not again be heard from those who owe so much to regulation.

In speaking thus plainly of these credits, I must not be understood as objecting so much to their expediency at the time of their adoption, as to their being continued and enlarged after the reasons for which they were granted have ceased, and when their effects have become injurious to all parts of the country. They were granted for the benefit of American commerce, and as facilities to American merchants ; but they now operate to the destruction of the one, and the impoverishment of the other. From a careful examination of the weekly abstracts of merchandize entered at the custom-house, in New-York, in 1819 it appears that there were entered 32,953 packages of dry goods, of which 24,659 were on foreign, and 8,299 only on American account. Thus, in the proud emporium of our commerce, where capital is abundant, and in vain seeking profitable employment, three-fourths of the importations appear to

be on foreign account, the sales of which, for the most part, are by auction. This is no forced, but the plain and evident effect of obvious causes. The nations of Europe, to whom England allied herself, and whom she subsidized to destroy the continental system of Bonaparte, having accomplished the putting down of its author, retained, or re-adopted the system itself.—That nation, who fought the common battles of herself and other nations, and who paid them for fighting for themselves, now finds her manufactures mostly excluded from the continent; her merchants and manufacturers seeking rather for some market than for a good one. Few nations will buy from them at all; none but this will furnish them with a capital, without interest, on a long credit. Other nations regulate this matter, they require prompt payment of duties, or deposit of goods. We leave things to regulate themselves, and allow foreigners to avail themselves of three fourths of the benefits of our credits. Depressed at home for the want of a market, as well as of capital, they eagerly look to us as affording both. During the wars in Europe, they could not improve these facilities; but now they hold out inducements, and offer temptations which will lead to a great increase, and a final monopoly of our trade in their hands. An ordinary trading voyage to England, may be completed, the goods sold by means of auctions, notes discounted, and the proceeds ready to be remitted back in four months. By the Liverpool packets, much less time will suffice. But allowing three operations in a year, I find that our custom-house credits on cottons and woollens will double the capital employed the first year, and increase 135 per centum at the end of the second year. In this mode, a loan, perpetual and increasing in a steady ratio, is made by our government to the foreign merchant; who, while he thus obtains it without interest, is enabled to continue his operations; and while he can avoid the notary, he looks more to his credit than to his profits, and will continue his business, though it may be a losing one. What

to the American merchant would be a losing, is to him a gainful trade—the American importer becomes a mere caterer to the foreign manufacturer. The orders sent out by him, indicate the quantity, kind, and quality of goods required at our different ports: the manufacturer thus advised of the demand, sends similar articles to the same market. If, after deducting charges, he can receive in New-York the price at his manufactory, he has the usual profit and an increase to his capital by the custom-house credits. The American merchant pays the manufacturer his price in England, and must sell here at an advance, or decline business. It is, therefore, not a matter of surprise, that so large a proportion of importations should be on foreign account, but rather that there should be any other.

This at once accounts for the cries of distress which assail us from the commercial cities, imploring us to abolish credits on imports, and impose heavy duties on auction sales. The operation of these two causes on all the great interests of the country, shows their intimate connection, their mutual dependence. I hope all will unite in affording a remedy. It will be truly unexpected, if gentlemen shall be found willing to have the revenue, commerce and agriculture abandoned to their fate, because the only measure which can save them will likewise benefit manufactures. The occasion is now fairly presented to the house. This bill has been called for from the sea-ports; it has been reported, published in the counting rooms of merchants for three months, and not a solitary petition against it has been presented. Called for by all, and, I may almost say, opposed by no part of the country, necessary to correct existing, not fancied evils, evils which are felt and threaten to be greater in future, I cannot but feel some confidence that even the opponents of the tariff will be in favour of this bill. For the revenue, it is almost indispensable, as well for security as for convenience. On the first of January of the present year, the amount of revenue bonds actually in suit, exceeded three millions of dollars. On the first of this month,



(April) it was considerably increased—say to 3,120,000 dollars. On the first of January, 1819, it was only 1,740,000 dollars.

That the increase of custom-house delinquencies has kept pace with the increase of importations on foreign account, is not only apparent from the nature of the case, but from this document,\* which in itself contains the most conclusive evidence of the fact. Salem, one of our proudest commercial towns, owns one-fourth of the East India shipping of the United States. The longest credits are on East India goods; and the security for the duties is most liable to be impaired by the casualties of trade. Salem has, probably, a greater amount of commerce, in proportion to its population, than any other town in the Union; but it is prosecuted on American account. The bonds in suit there, amounted only to 4,366 dollars. In Boston, the amount was 174,000 dollars; in New-York, 844,000; Philadelphia, 471,000; Baltimore 445,000; Norfolk 251,000; Charlestown, 210,000; Savannah, 251,000. These are as to the revenue, the effects of a change of the imports of the country to foreigners. American merchants are idle—they offer to loan you their money at 5 per centum, on a long loan. They are fixed in the country; their property and character are security for the payment of duties due from them. It is not so with the transient foreigner. His cargo gives him credit, and makes him a good man at the custom-house. One is surety for another. They sell their goods at auction and go off, and leave their bonds unpaid. The money is lost to the treasury but is taken from the pockets of our citizens. Thus this credit system tends strongly to the exhaustion of our resources, to the oppression of our own and the encouragement of foreign industry.—When, in addition to these credits, the importation of foreigners are sold by auctioneers and one man does the business, of one hundred, we have only to calculate the effects on the merchant, the mechanic, all the inhabitants of a sea-port, and the far-

\* An official return of the amount in suit, in the different parts of the United States.

mers of the surrounding country ; one hundred houses, one hundred stores unoccupied ; one hundred sets of clerks and servants unemployed ; one hundred families less to feed and clothe, to pay general and local taxes, to contribute to the support of the government and the defence of the country. To this list, and to embrace all classes of society, I hope I may add the manufacturer, in whose favour import duties cease to be discriminating, the credit having the effect of a positive bounty on the importation of foreign fabrics. The credit, averaging twelve months, is equal to six per centum to the needy foreign manufacturer, who, in hope of better times, is willing to keep up his credit at any loss. The loan thus obtained may be worth the whole amount of duties, the highest rate of which is but 30 per centum, say  $2\frac{1}{2}$  per-cent. a month—a rate of interest not unheard of in times of commercial embarrassment, even in this country.

To guard against these general and increasing evils and to combine as much as possible the protection of all the great interests of the country, the bill proposes to allow drugs, dye stuffs, and what are generally called groceries, except wines and ardent spirits a credit of 3 and six months ; on teas, three six and nine months ; manufactured articles to pay the duties on their arrival, or to be deposited in ware-houses for six-months, and then to be sold by auction if the duties are not paid. Though all the petitions on the subject, and the house will remark that most of them are from merchants, prayed for an indiscriminate abolition of credits, the committee apprehended that this would cause a change in the commerce of the country which in its present depressed state it could not bear. Strange as it may seem, and little as I well know they will be credited even for the existence of the motive, the committee of manufactures did anxiously desire, and took great pains to shape this bill so as to answer all the common objects, and yet save the merchants from the ill effect of granting the entire prayer of their own petitions. Had we done that, we should have been justly ex-

posed to the imputation of attending to only one, and not considering the other matters referred to us by the house. The West India trade was in the hands of American merchants—did not operate injuriously to the principal manufactures—we did not mean to touch these credits; and I think, by sound construction of the law, we do not. This requires explanation;—In 1799, these credits were enlarged from four to three and six months. In 1805, the importations from countries *north of the equator, on the eastern coast of America and the islands adjacent*, were allowed the same credit as importations from the West Indies—thus making two distinct descriptions of places, or countries, the one not including the other.—In the famous law of 1818, the credits on importations from north of the equator, (using the same words as the law of 1805.) were extended to six and nine months.—The construction given to this act at the custom-houses, has been that it extends to the West India credits. Believing this to be erroneous, and that neither the intention nor the words of the act will embrace the case, we feel satisfied that they remained as fixed in 1799. If we are mistaken, it at least shows the necessity of watching provisions of this kind, which have an important bearing on the revenue, and the impropriety of inserting them in laws, the title of which would not lead the house on the last day of a session, to examine all its details. On the importation of goods imported from the East Indies, it has not been thought necessary to give a longer credit than on the same when imported from the West Indies; our views having a reference rather to the articles imported than to the place whence derived.

No good reasons presented themselves for giving facilities to importations from countries with which our trade was a losing one, and which afforded no market for our produce. It appears that in the years 1817 and 1818 our exports to China alone amounted to 7,240,000 dollars; of which 5,600,000 dollars were in specie; 1,512,000 dollars were in foreign, and only



74,896 dollars in American produce. The exports of products to Asia were, American 61,000, dollars; foreign 411,000 dollars amount of specie not known. In 1818 and 1819, the amount of specie exported to China exceeded 7,000,000 dollars. Desirous not to bear too hard upon, and unwilling to encourage this trade, the credits were reduced to such a term that a new voyage could not be completed on the capital furnished by the duties on a former one. This was carried on mostly, if not wholly, by men of great wealth, who could require no facilities except in regard to importation; and these, it is believed, are liberally provided for by the third section of this bill. But there were imperious reasons for abolishing the credits on manufactured goods, especially from Europe. The security of the revenue, the protection of American commerce and industry, seemed to concur in demanding such a change in the system that the goods should not come into the market till the duties were paid. It was much wished to discriminate between importations on foreign and domestic account; but the objection seems to be insuperable against refusing to the foreigner a right to deposite on the same credits we were willing to allow to our own merchants. A refusal in the first case would have destroyed the little that remains to us of the carrying trade in Europe. France and England allow us to deposite all articles, even those which were admitted to entry, until an eligible market can be found. They would refuse to us what we denied to their subjects. In the other case, a refusal would violate our convention with England; for, though the rates of duty would be nominally the same, yet the difference in time would make a difference in effect. I consider that convention so important and beneficial to the commerce of this country, that, from interest alone, we ought to observe it with the most scrupulous good faith as a means of preserving our navigation. Without it you would be called on for protecting, as you now are in relation to France. Though it is not only presumptuous but almost criminal, for western

men to interfere in the regulation of commerce, I beg those in that interest to reflect what would be the state of their trade with England, if, as in the case of that with France, it had been left to "regulate itself?" I speak it with pride, it was not only regulated, but saved, by western men.

A very obvious defect in our present system of credits is, that it makes no difference between importations for home consumption and for exportation. In reducing the credit on some, and abolishing it on others, the committee foresaw that their plan would operate severely on that kind of commerce which they thought deserving of protection and of every facility, unless a discrimination was made. The bill provides for that in a manner, which will effectually repel every imputation of hostility to commerce. It leaves it to the option of the importer to avail himself of the present system of drawbacks, by giving his bond for the duties and taking the debenture on exportation; or to declare his intention at the time of entry, giving his bond with security, to export and not re-land the goods, or in lieu of such surety, to deposit them in a warehouse. [The time of exportation is left blank in the form of the bond.] No bond for the duties is required; it is only for his integrity, that the revenue may not be defrauded. He may deposit and take three months within which to make his election whether to try the domestic or a foreign market, without making a declaration of his intention to export. The section in relation to deposit, contains substantially the same provisions as are in the existing laws respecting the deposit of teas, varied only so as best to connect the convenience of the merchant with the security of the revenue. On examining it, the house will perceive that, in the whole, it leaves the credits substantially as they were in 1790, that it is not so much an alteration as a restoration of the old system: the changes which have been made are indispensable. The credit on manufactured goods tends so strongly to do away all discrimination in our present tariff, between imported and domestic articles,

that efficient encouragement cannot be given without abolishing them—We have used our endeavors to do it in the manner least injurious to commerce.

It is not without much surprise that I have heard the various objections to this bill. Not that an alarm should have been raised about revenue, commerce and smuggling; these are always expected, when any measure is proposed which tends to the benefit of manufactures. It is a matter of course to hear them. Local and personal reflections have been made on the committee who have reported it. Gentlemen seem to forget that a majority of that committee represent commercial places, and ought to be as much alive to their interest as those who represent districts which have no commerce, and who seem so much alarmed about the injury with which this bill threatens it. It is strange that merchants are not only easy on this subject, but desirous of its adoption; that it has been reported on their petitions, and by their immediate representatives. But it seems that they do not know their own interest; that their friends and new allies, in the fervor of their zeal and friendship, must take them under their guardianship. I think I can duly appreciate the reason: it is not because they are so friendly to commerce, but unfriendly to manufactures. This bill combines, with other objects, the protection of this great interest; and hence arises their great hostility to it. I am not insensible of the impression made in the house by the powerful opposition it has met with, and that I am put on the defensive. You must allow me to answer the objections to have it understood. The committee are charged with attempting to destroy the settled system of commerce which has been so long in operation, and under which this country has attained to its present greatness; and gentlemen speak of those long credits as coeval with the government, when they well know they have been the work of latter days. It is at any rate a singular objection that the committee of manufactures, in framing this bill, are charged with having consulted the interests of the wealthy merchants. This, from ca-



pitalists, is certainly unexpected. They must be hard to please, when their great opposition to this measure arises from its tendency to promote their interest. If this is true, it ought to please all. The small dealers do not complain—they are satisfied, nay desirous of its adoption; chambers of commerce and East India merchants, are its only opponents, and that because it does too much for them. They must excuse me, if I attribute their opposition to a much less disinterested motive. The craft is in danger, the charm is about to be dispelled, by which the people and government of this country have been led to believe that foreign importations are the source of revenue and wealth. The treasury is empty, the people impoverished: the cause is seen and felt to be the prostration of national industry, the encouragement of foreign. This objection was not urged by the same gentlemen a few days ago, when you made a total and complete change of the system for the sale of the public lands. It had been tried for twenty years, had never been changed or altered, and was attended with no inconvenience—not a cent had been or could be lost. You had profited by it; had, by forfeitures, made a clear profit of 400,000 dollars. There was not a petition in favour of its abolition.— But these were fancied evils, you apprehended danger, you thought a change would be useful, and by almost an unanimous vote have passed a law by which a poor man, desirous of securing to himself and family the means of support, must pay all cash for his title to eighty acres of land. Now we find the advocates of this measure so wonderfully attached to the system of impost and enormous credits, that they will not consent to even reduce them; and while they affect so much fear for agriculture, commerce and revenue, are willing to permit the foreign merchant to have his twelve and eighteen months credit on his cargo of half a million of manufactured goods, the poor farmer must pay cash for his land; the foreigner may not only have a credit on his goods without interest, but be allowed to double his capital, by the loan thus obtained from our own ci-

tizens. You see by this system that one fifth of your revenue is at this moment in suit. You know that the greatest portion of delinquencies is by foreigners; that much of it will be lost, that the duties are taken from the pockets of the consumer, which do not and never will go into the public treasury, but to foreign countries; that this evil is increasing most rapidly, that the amount in suit has doubled in the last year, and is at this moment greater than ever. You must borrow money to make up the deficiency thus caused, and yet listen to the cry of "you will destroy the revenue"—you are attacking ancient and venerable systems. Trace these credits through your laws, and you will find that this bill is in substance coming back to the old system of 1790—that it only does away innovations of later years.

Much is said about the small losses in the revenue for thirty years; this only proves that the *bonds* of our merchants are good—but will any one say that their bond is better or safer than their *money*? But, though the bond of the American merchant are safe, you have here official evidence that those of foreigners are not. Suits increase with foreign importations, and you must not be surprised if the losses of the last two years are more than all the preceding ones. Fancied evils made you take away the credit on the public lands, but realized ones do not induce you to reduce them on importations. Commerce is, it seems, in danger—yet it is well known, that these credits have been the means of throwing it into the hands of foreigners. Ask the American Merchant if this bill will injure him—the merchant, the house owner of the seaport, who suffers by long credits and auction sales. Let the rate of rents, the price of labour, the unemployed houses, stores, clerks, labourers and shipping, answer. We have been told that if foreign importations do not give employment to labour, value to property, and markets for materials and provisions here, *they do in some other countries*. Here I understand the gentleman who has made this remark, and

thus points out the difference between his principles and mine. I do not profess those broad and comprehensive principles of philanthropy, which enable me to look unmoved at the general distress which pervades our whole country, and find consolation in the reflection, that though our policy destroys the industry and prospects of our own, it encourages that of other nations. We are sent here to legislate for our own citizens—their interest should be our peculiar care: let others take care of themselves; their legislators do not leave things to regulate themselves. When they are called on for protection to any of their great interests, other governments do not say, if you have no employment here, if your manufactures are abandoned your seaports depopulated, your farmers without markets, and your revenue in suit—*it is better somewhere else*. No member of this house can be ignorant of the fact, that our commerce is rapidly declining, and by means of these credits: the friends of the mercantile interest are certainly liberal in the extreme in insisting on their continuance, when not a nation in the civilized world gives a credit but ours.—Is it sound policy thus to impart to others, benefits ruinous to ourselves, when there is no reciprocity?

It has been said that other governments encourage importations, and that this bill contains less liberal principles than their codes. The commercial experience of the gentleman has taught him better—he must think us strangely ignorant of their regulations, not to know the total incorrectness of the remark. He knows it, that all other nations discourage importations for home consumption—they encourage them for deposit as auxiliary to the carrying trade. We afford the solitary exception of the reverse; not a prohibited article in our tariff, no discrimination between imports for consumption or export, except the drawback of duties. This bill makes it—it gives faculteis for export which were never offered before; it will aid American commerce, which is worth pursuing; it will take it from foreigners, who now almost monopolise it.



I am not tenacious of the details of this bill ; the great object is the reduction of the credits on manufactured goods—if too much is asked, let gentlemen say what will suit their ideas. Will they agree to any modifications ? Will they give up a little, or do they insist on retaining the whole, willing that commerce may be destroyed if manufacturers are not benefitted ? It would have much better suited my ideas, if we had endeavoured so to modify as to answer our common objects. But it seems that we have been mistaken in our expectations of conciliation ; nothing will satisfy the gentleman but by striking out the first section ; the total defeat of the bill—there must be no modification, no alteration, no reduction of credits. Not satisfied with what they call the old system, they cling to the memorable act of 1818 as eagerly as if the whole commerce of the country depended on it. True to the commercial maxim, “keep what you have got, and get what you can,” while regulations are progressive, adding to your benefits, call that the natural order of things ; but when the least attempt is made to touch even a skirt of your system, fold up your hands and say, “let us alone,” let us regulate ourselves. If we adopt your maxim, and offer to divest commerce of even the ruinous trappings of its regulations, then the cry “revenue and smuggling” comes to your aid, and keeps off this most odious thing called regulation. I understand it—it will be understood by the country ; we are always regulating commerce—you will this session ; it is necessary to save it, if the petitions for navigation acts are to be believed. Let the house not forget one celebrated *regulation* in the late war, when goods to an immense amount had been imported in violation of non intercourse acts—when the merchants had given bonds to the amount of twelve millions of dollars, which were forfeited, which *they added to the price of their goods, and received from the people of the country, the consumers*, on the ground that they were obliged to pay them to the government. You by one “regulation,” remitted them—and at the expense of the

treasury and the nation, put the money in the pockets of men who now say, "let us alone." When half as much is done for manufactures, I will admit that they may regulate themselves. I do not urge these matters from hostility to commerce, but to let its friends see, that not the want, but the excess of regulation, has now made it necessary even for them to do away some part of their system, to induce them to make a common cause with the other great interests of the country, to save themselves. Our export of produce, and import of goods for home consumption, has ever been unprofitable—the only valuable part of our commerce, the carrying trade, is now leaving us—it can mostly be brought back by regulations. It is not denied that the importations are now only on foreign account. Importers will be exporters---those who bring you goods will take away your produce: if there is a surplus of imports, foreigners will take them to other markets. Merchants must see this, they now feel it---the situation of your seaports abundantly proves the fact. The pride of opinion must be abandoned. Commerce is no longer what it was---the change in the relations of the civilized world has been the cause---measures must be changed with the times; and when we can trace to a definite source, a great portion of all the embarrassments of the treasury and the people, we are called on by every motive which ought to influence a national legislature to join in the remedy. In asking for the abolition of credits on manufactured goods, it is not any bounty or even encouragement of domestic manufactures. It is only that you take away the bounty, the premiums on imported, the inducements, the temptations that a needy foreigner cannot resist—that you shall not take money from the people of this country, and lend it without interest, and often without security, to the foreign importer. Apply the favourite commercial maxim, not as practised on, but according to its real

meaning—take away the credits, rescind the *regulations* which give them—then things will regulate themselves—now your laws regulate them.

The duties imposed by the existing laws are said to be sufficient protection,—and so they might be, if the operation of the system, made them to the amount, a discrimination between foreign and domestic fabrics. When impelled by the general distress, the prostration of all sources of national industry, to complain of its insufficiency and propose remedies, one gentleman charges the committee with obtaining their object by indirect means, and tells us to increase the rate of duty—another tells us this will be unavailing by the increase of smuggling. I had thought that the last charge brought against the committee of manufactures would have been that their objects were indirect. If the bills they have reported do not on their face explain their objects, the observations of their chairman have not left their views a matter of conjecture. If the bills pass, there will not be much doubt about their direct effect—at any rate they are meant to be efficient. I think it not very honourable to the mercantile character of this country to be told by experienced merchants, we will smuggle if you touch our system; raise a duty or diminish a credit, we will violate your laws.—Let me entreat them to put too high a value on their reputation to hold out to this house threats of this kind.

As to high duties, the gentlemen and I understand each other very well; but neither on this nor his resolution calling for evidence, is the committee to be caught. High duties are not the efficient means of protecting our industry; had we proposed them we should have defeated our own measures; the triumph would have been the greater as we should have destroyed ourselves, by falling in the snares of our opponents. Moderate duties, but so imposed as to be collected, so as to afford a real and not a mere nominal



preference to our industry, are what we aim at. At present, they are merely a tax on the consumer, and operate in a very small degree for any other purpose. Calculate the bounties, premiums, and drawbacks, of other governments on the exportation of goods, our custom-house credits and sales at auction, it will be found there is little, if any discrimination in favour of our manufactures; the duties are balanced by these advantages. It has been more our object to remove these premiums on importations than to raise the rate of duties. We are told that one third of the shipping of the United States is idle—it is certainly true, I will thank the gentleman to give us the reason—he knows it is not the prosperity of manufactures, that the trade of our country is passing from our merchants: if ours is idle, foreign shipping is employed—that the custom house credits are the main cause—yet he will not agree to change. I am bound to hope it is not because this bill aids other interests as well as commerce. Had it been reported by another committee, had the provisions of the third section been offered by any other than the *Goths and Vandals of the West*, I think they would have been retained—it is not impossible that even the European credits would have been reduced. But nothing from the committee of manufactures will be accepted. Even favours from them will be rejected. I am glad that I voted against the separation of the committees of commerce and manufactures. I well knew that it would hold out to the house and the country the idea that their interests were opposed. It was my belief then and is now, that they are the same. Experience will show it—both are declining, not only going, but gone. The same measures are necessary to redeem both. The committee well knew, they were undertaking an ungracious task in acting on all the subjects referred to them. How far they have acted impartially can best be judged, not by professions but by

their acts. I am willing it should be tested by this bill, confident that when this excitement shall pass away, it will remain as evidence of our disposition to do as much for commerce as for manufactures—equally confident that the time will come when its loss will be regretted by those who now oppose it, not only as to parts but the whole—who will now agree to no amendment, no modification, but hold on to the old system in all its changes. All seem to admit that the commerce of the country is rapidly declining, but we are promised a change in 1822. I would be indeed thankful for the information on which this prediction is made, happy to know the means by which it is to be realized. Does the gentleman judge by experience, from facts, or does he rely on the chapter of accidents. Let me warn him not to indulge in delusive hopes, to look to causes and effects; and, while there is a commerce to protect, not to delay the means of its restoration.—Above all, let him beware how he presses on us his favourite maxim, of, let things regulate themselves.—This nation may not always apply it exclusively to manufactures; even here equality may be equity, and this favourite child of legislation may be left to *regulate itself*. When 1822 arrives, and the gentleman's predictions turn out dreams, we shall perhaps have learned that government is instituted to protect more than one interest; that laws to favour commerce are not to be claimed as matters of right—for manufactures to be implored as charities, gratuitous favours flowing from your good grace; that one part of this nation is not to claim a monopoly of protection and protest against its being granted to another, as an usurpation of its prerogatives. How will he like to hear, to the prayers of commerce supplicating aid against foreign laws and competition and domestic indifference, the appalling answer of “regulate yourselves,”—if you are not doing well, *commerce is doing well somewhere else*—

your relief will injure manufactures, the revenue, and lead to smuggling—we have adopted another child, and leave you in the enjoyment of your own principles. This day may come, but it is not our fault—we held out our hands in friendship, but have met with a cold repulse. If commerce is now left to itself by a repeal of all our regulations in its favour—the bounties or fisheries, navigation acts, coasting trade, tonnage duties, discrimination on imposts, light money—how would its friends like this “being let alone?” Let them think how we feel at receiving this answer when asking for some portion of the benefits of government, by a measure which is called for by all parts of the nation and is necessary for the security of the revenue. To prepare for the reception of the tariff in this house, you adopted a resolution calling on the treasury department for information as to its effects—those who are now so alarmed about the revenue had better call to know the effect of long custom-house credits, and the propriety of a change. They seem unwilling to do it—it is not for us to ask it, but we can easily judge from the amount of revenue bonds. On the first of January last, those outstanding, not due, were sixteen millions of dollars. If the same amount should be in suit this, as it was last year, after deducting the expenses of collection and drawbacks, you can calculate the state of the treasury from imposts and decide whether it is better to take the money or trust to the bonds of foreigners. You will not trust your own citizens one day for any portion of the purchase money for their pittance of land—how will you answer to them for trusting to foreigners millions of your revenue, after you find by experience that they do not pay? How will you answer to the nation for the continuance of a system which is confessedly ruinous to agriculture, commerce, manufactures and revenue—which is daily adding to the distresses of all the country, and the embarrassments of



the treasury, which are encreasing and must encrease during European peace, can only be checked by some such measure as is now proposed.

I am sorry to hear it still repeated that commerce provides all the resources of the government; those who ring this in our ears must think us very simple; that the people are so easily duped as not to know, that the duty, with accumulated profits, is added to the price of every article, and paid by the consumer: that the merchant is only the collector, and is well paid for collecting the taxes,\* the people pay them on every article they eat, drink, wear, or use.

But, sir, this bill is totally missapprehended; it does not change the system of imports, it only makes it effectual by preventing losses; it aids your treasury, by bringing to it the money instead of bonds on long credit; it makes your system in some measure uniform and consistent, applying the same rule to purchasers of land and goods. If the bill proposed a total abolition of credits, it would be justly exposed to the attacks I am endeavoring to repel; but it goes no further than to make the duties payable in cash or the articles to be deposited which interfere with our national industry, and principally affects that part of our trade which is in the hands of foreigners. It is objected, that it will tend still further to produce that effect, and to exclude small capitalists from importations on their own account; these objections have long since been anticipated—they have, in my mind, been completely answered by the letters in my hand from the most intelligent merchants of New-York and Baltimore. The foreign merchant and manufacturer, who send their goods here are generally needy; the regular course of trade does not give them a market, or they would not force

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\* A citizen of New-York was once boasting to Mr. Jefferson that that city paid one third of the revenue. He was silenced by this reply, "Remove the custom-house across the Hudson, and the city of Jersey would pay it."

their way to one here by auction sales; our credits operate as a loan and increase of their capital to carry on their operations at home; this is a great temptation to continuing the trade; the loan is perpetually increasing; every new consignment adds to the amount; it is unlimited as to time, and thus it will progress till you depend on foreigners not only for supply and defence, but revenue. As one old bond is paid off, a new credit is given for an increased sum. No other nation affords these facilities—hence our market is resorted to. But take them away, take from any consignment *twenty-five per cent. for duties, instead of adding that amount by a loan*—compel the consigner to send the money for duties, or pay a short bill, it would effect such a total change in his business, that he could not continue it; then he must take from his capital at home to pay his way abroad; now you add to it by lending him money to use for twelve months. It is the difference between a premium and a tax, a bounty and a burthen.

There is no mystery in this; even backwoods-men can understand it; it would indeed be mysterious, if long credits encourage foreign consignments, that short ones should increase them—cash payments give them the monopoly. I cannot dwell on reasoning of this kind; it is much like the other objection that capitalists will engross all the trade. This deserves some examination; if true, it presents a serious objection to the bill; if not true, the house will be able to decide on the character of the opposition. This and the auction bill are necessarily and closely connected, the one an auxiliary to the other—the petitions for both mostly from merchants and mercantile towns; whether from large or small capitalists, can best be judged by those who know the signers, and will examine the number of those petitioners. Here is a petition from New-York, praying for the auction bill; here are more than 7000

names to it. It must be a wealthy place indeed if these are all capitalists. Here is one, praying for a general abolition of all credits on all importations, signed by near five hundred merchants of that city; no one will pretend they are capitalists, no one has a right to say they do not understand their own interest. They have asked for this bill as essential to their protection; they have made common cause with the friends of manufactures, to check an evil destructive to both. Merchants of all classes have united in its favour, small as well as large dealers; it has been opposed by no individual petitions; no small capitalist has objected, or now objects to its passage.

The only opposition has been from your chambers of commerce, some of whom have sent and directed their memorials to us—others have sent but not directed them—circulated secretly, their effect felt, but the power not tangible. I can hear of it, but it is not on our tables—we cannot examine it. These bodies, it seems, are the guardians of commerce. Merchants undertake to judge for themselves, and ask us for a measure—a chamber of commerce remonstrates against it as injurious. I do not well understand who these chambers of commerce are; they are generally understood to be men who are to settle disputes among merchants. In New-York I find they are incorporated for charitable purposes—that they received the thanks of the assembly of that state for their patriotic conduct in *importing no goods from Great Britain until she would repeal the stamp act*. I would rejoice now to find chambers of commerce leaning against foreign and encouraging domestic industry and commerce: and in times past it would have been gratifying if some of our citizens would not have carried on commercial intercourse with England, during *embargo, non intercourse, and war*. I believe the members of these bodies are not generally composed of small capitalists of the



first respectability—they are of the most wealthy. It is a matter of some suspicion to find them guarding the small trader with so much care, and so fearful that the trade of the country will fall into their own hands—a suspicion that is not diminished when I find the merchants of Salem labouring under the same fears, as to benefits, which this bill will give to the large capitalists, and dwell so much on the injury to the young and enterprising. Here is something unaccountable to me. In 1818, the last extension of credits was made on the petition of the *East India merchants of Boston and Salem*—headed by William Gray and others, the greatest capitalists of the country—there were no petitions from any other place; small dealers did not ask for eighteen months credit, and small dealers are not much concerned in the East India trade. This law, it seems, was thus passed on the petition and for the benefit of the wealthiest merchants in the union. I must be allowed to ask how the extension and shortening of the credits will produce the same effects? I think too well of the gentlemen whose names were to those petitions, to believe they did not understand their own interests, or would designedly impose on you. The gentleman who so ably represents one of these towns, must permit me to say, that while he is contending that this bill will injure the small trader, he is contradicting the petition presented by himself praying for long credits. Two short years cannot have made such a change in the principles of commerce. What would benefit capitalists in 1818, will do so now. Long credits will produce the same effects now as then. When objections are made to short ones, they must be tangible—I must know where to find our opponents—they must not thus play fast and loose. If short credits were injurious to capitalists in 1818, they will not give them a monopoly now. We are not to be thus amused with reasons which can

be adopted to suit any measure—they are sure pretexts to defeat this bill, not because it will injure the small merchant, but because it will benefit the manufacturer. It will take the bounty from importations, keep the money of the government at home, prevent loans to merchants from producing new importations on the capital furnished by the duties on the old.

We have given the reasons and the evidence on which this bill has been reported. I would thank the then chairman of the committee of ways and means for the evidence on which he extended the credits to eighteen months. In examining the effects of this change, I cannot see the injurious effects on the small trader. He can as easily pay the duties on small importation, as the large trader on a large one. Merchants adventure in proportion to their capital, and credit; the duties are in proportion to what they import: the small dealer can often procure a small loan, when a large one could not be obtained; the American merchant has a credit in bank, when the foreigner has none; we may, therefore, feel ourselves safe in acceding to the petitions of those who have asked for this measure, that they have not asked chambers of commerce, or East India merchants to become their guardians.—Let it be remembered, too, that the small dealers are mostly in the West India trade, which is not affected by this bill; the East India and European trade, which will be deprived of one of its facilities, is in the hands of capitalists and foreigners; this accounts for their alarm, and a desire to guard their exclusive interests, under the pretext of protection to the small dealers.—When the latter complain, I will then think the objection may have some weight; till then, it will be considered as a pretext to cover opposition to a system indispensable for all the great objects of government, merely because it comes in aid of manufactures. I must not be blamed for indulging this belief, when

there is such a settled determination evinced, not to touch any part of the present credits, when the same cry is raised, whether we offer to touch the act of 1818, or to abolish the whole. It is at all times amusing to hear these same alarms rung on every occasion. The tariff brough them out ; this bill has increased them—“it will ruin commerce, agriculture, revenue and even the country itself !” They must be weak, indeed, when they rest on European and East India credits ; we got along very well before 1811 ; there were no very imperious calls on us to extend them then ; if they were shortened now, I think the sun would still shine and water run ! This is not the first time this country and all its interests have been ruined. The proclamation of neutrality, the French war, ruined us forever ; the embargo and non intercourse law were death—so was the late war, yet the country survived all ; it bears a great deal of ruin, and bears it very well, for one which has been ruined so often. After surviving such shocks, I think the little ruin which will be added by employing *our own labour, our own materials giving a value to our own property, carrying on our own commerce, and receiving into the treasury all the money that the people pay for taxes*, will not be too much to bear. If this is ruin, it is of the kind that will restore us to prosperity.

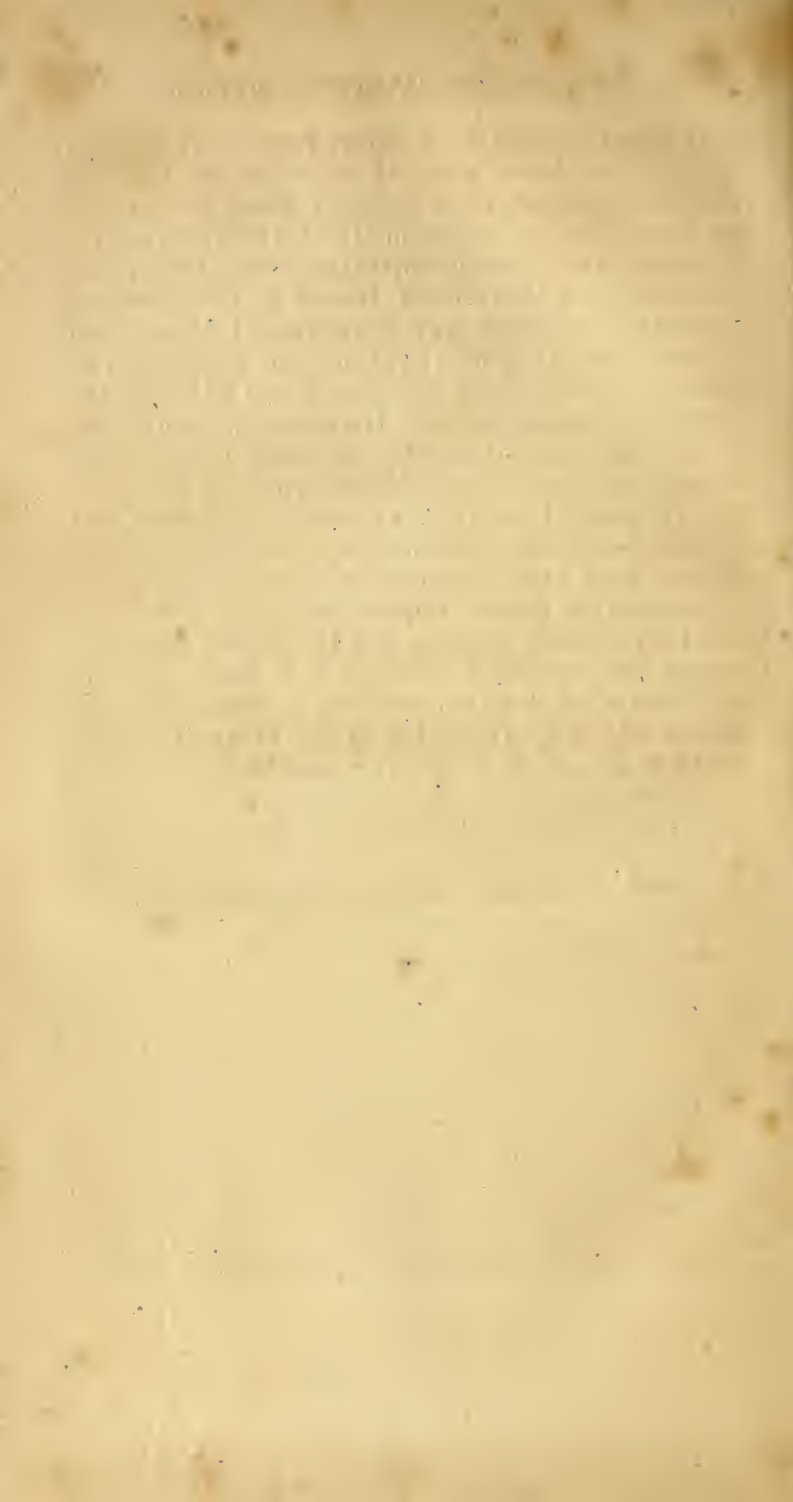
There must be a striking analogy between two opposite systems, agreeing in no one feature, yet producing the same effects—each attended with ruin absolute and irretrievable. You have tried imposts till your revenue has left you five millions short of your expences ; credits, till one-fifth is in suit—importations on foreign account, till your commerce is destroyed—auction sales, till your merchants are idle (their hopes resting in a bankrupt law)—foreign goods, till your manufactures are abandoned ; foreign markets, till your farmers find their produce rotting on their hands,



and yet it is contended that the continuance of this condition of the country is necessary for its welfare ; that a change will be ruinous. I hope gentlemen will ask themselves, if ever there was a time when there was such ascene of universal distress. If it cannot be easily traced and satisfactorily accounted for, when called on, as you have been this session, by the people of the country, they will expect some better answer to their petitions than these alarms, which are always raised whenever there has been an attempt to adopt measures of vital importance. When you urge them you must give reasons : show how the present system will restore, how the proposed one will injure us ; show how internal industry will injure internal prosperity ; how idleness promotes national strength or individual wealth ; and, above all, satisfy the farmer for whose interest there is so much anxiety, how he is to be injured by buying his clothing from those who will purchase his produce. Now the surplus of his farm will not clothe his family and procure him his utensils ; now he understands what is meant by buying cheap ; that it does not consist in the *price of the article he wants, so much as in the price of the article with which he is to make payment*. When cloth is ten dollars a yard, and flour at ten dollars a barrel, one pays for the other ; cloth at \$ 6 and flour at \$ 3, the cloth of the farmer has doubled the price : the barrel of flour procures but half a yard of cloth. These things will be understood—there is no mystery in political economy. It is a plain simple calculation of what is bought by the least labour and the smallest quantity of produce.

That article is cheapest, which the consumer pays for the easiest. What encouragement does the importer or retailer of foreign goods now give the farmer ? What injury has a manufacturer in his neighborhood, or a market at his own door, ever done him ? Is it better for him to seek it by navigation of 3000 miles,

when found glutted by supplies from other sources, the price less than at home, the home market destroyed by the eagerness for a foreign? Shall all competition be destroyed, our produce left at the mercy of other nations, who have agricultural interests of their own to protect? Are they better friends to the American farmer than even our own government; theirs than our own citizens? These are questions which must be answered in some other way than "you will ruin the country." Sir, the country is ruined, if you persevere in your present policy. It must and will be changed. Such radical and fatal errors will be checked by the general voice of the country, if not here. It had better be done while moderate measures will be sufficient, such as are proposed by this bill, which does not increase the duties, imposes no burthen on commerce; but, merely taking away the bounty and premium on foreign manufactures, so as to leave the duties, which are laid on importation, a discrimination in favour of our own industry and the trade of the country, in the hands of our own merchants.



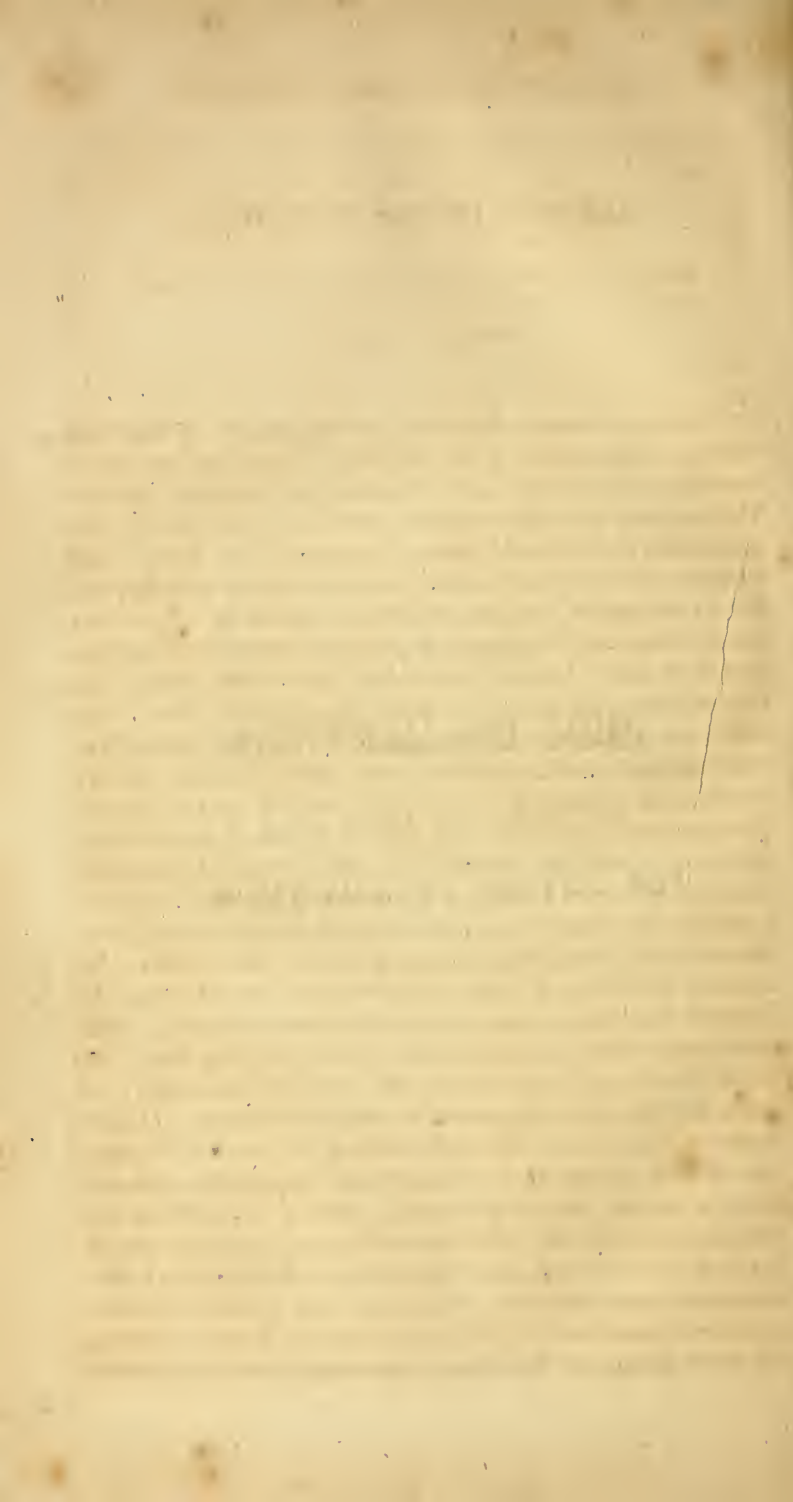


SPEECH OF

**MR. BALDWIN,**

ON THE BILL FOR LAYING A TAX

**ON SALES AT AUCTION.**



## SPEECH OF MR. BALDWIN,

ON THE BILL FOR LAYING A TAX ON SALES AT AUCTION.



That the house may feel the necessity of this bill and the propriety of its details, it will be proper to examine the nature and tendency of auction sales—When they are understood it will be a matter of surprise that they should have continued so long, and account for the almost numberless petitions which pray for its adoption, for the alarming situation of the sea ports, the state of commerce, manufactures, agriculture and revenue. It was deemed of great importance in connection with the other bills reported by the committee, as without this they would be ineffectual—it has now become indispensable since the rejection of the last bill by which the house has decided not to touch the custom-house credits—This system of auctions is one which has been created by state laws and presents in many of them a thing very unusual in this country, a monopoly which in no case ought to be favored, but discouraged when it is injurious to the community. In most of our large Cities, the number of auctioneers is limited, they are commissioned by state authority, and no other persons are authorised to sell in this way. In New York the number is 30, in Philadelphia 7—sales by public outcry must be made by them. If this mode of sale is for the convenience or benefit of commerce it is strange that a regulation which thus confines it to a set of privileged men, should have been so long submitted to by that class who are so desirous of leaving things to regulate themselves—They have however continued without complaint, and serious inconveniences were not felt till the peace in Europe opened new prospects for their commerce; the exclusion



from the markets of the continent, compelled the British merchants and manufacturers to make the most of ours. With an accumulated stock increasing beyond the regular demand, the experience of the past and present affording no new hopes for the future, the continental system of their allies becoming more rigid as the good effects of it were becoming apparent to those nations who adopted it: they have been Eagle Eyed to discern all the advantages which they could derive from our trade, our system of revenue and modes of sale, to make them the means of continuing their own establishments and business. That the means employed should be ruinous to ours, that what saves the one should destroy the other, is not a matter for their consideration, they deserve credit for their exertion to protect their own, and the industry of their country at the expense of ours: the only blame must rest on us for permitting and not checking the evil where its extent is so general, its effects so injurious. If the foreigner was obliged to be at the same expense, to employ the same machinery in his operations as the American merchant, and manufacturer, he would be obliged to come into our market on equal terms; to the country at large it would make but little difference as to interest, there would be the same employment given to labour, the same market for produce, value to materials, houses and stores; the same amount of taxes paid for the support of local and general governments, these added to the expences of their establishments at home would be a serious obstacle to their pursuits, their operations here—remove them, the foreigner has all the advantage of our market without rendering the slightest benefit to the country—This is effectually done by auction sales, and custom-house credits. I allude to the latter not to renew a discussion on a subject already decided, but to illustrate their tendency, Goods are consigned to an agent or an auctioneer, are bonded, landed, sold at auction, the auctioneer a Director of a Bank, the notes well endorsed are discounted, commissions deducted, the proceeds remitted with the addition of duties say

25 per cent, for which there is a credit of 8, 10 and 12 months without interest ; to say the least of it, the use of the amount of the duties is more than equal to the charges of auctioneers and the expences of shipment, it must be a bad sale which will not nett the price at the manufactory in England.

The foreigner has his establishments at home—they must be kept up at all hazards, their burthens are more in proportion to their magnitude than the amount of sales, as the latter can be increased without adding to the expences. The facilities afforded by our systems enable them to reap all the benefits of an establishment here, without its costs and risks, sure of sales at home at a price as good at all events as our merchants can make, and with the same opportunity of profiting by the rise in the market—Ours is almost the only one left to him, the trade is not sufficient to give employment to both ours and foreign merchants and capital ; some must be excluded, and unfortunately ours have become the sufferers by the great temptations and inducements held out to those who do not reside here, and are enabled to carry on a profitable trade abroad without adding to their expences at home.—The foreigner's goods never remain on hand ; he contracts no bad debts, is exposed to no casualties, losses, or expences, and is at no trouble to find out the state of our market as to the quality, quantity, and kind of goods required for our consumption. The American merchant, from his knowledge and experience, is enabled to ascertain all these matters before he sends out his orders, when his bill is filled there is a surplus—his information is the guide—his order points to the necessary information. The foreigner ships on his own account, our market is filled with a supply double that of the demand, in the competition for sale the foreigner must prevail ; he can afford to sell at his price at the manufactory, and charges. Our merchant who pays the price there, must have an advance on his investment, and is subjected to the same charges, except the auctions, there he can-

not compete, his goods must remain on hand, he continue idle, or send his goods to be sold at a certain loss.—It is impossible to calculate with precision the ordinary expences of a commercial establishment.—from the information of the most experienced and respectable merchants, furnished after much reflection and enquiry, I am confident that house and store rent, stationary, fuel, insurance, clerk hire, family expences, taxes, bad debts, expences of collection, fall in the price of goods remaining on hand, will exceed ten per cent. on the amount of the capital employed. I think it a low estimate—This is all saved to the foreigner—when he can thus add to his capital by custom-house loans, carry on trade without the ordinary expences, it is not surprising that he should avail himself of these advantages, while an European peace continues. The proportion of auction sales to private, of foreign to domestic, will increase—it has already become alarming to all the commercial cities. The petitions from Philadelphia tell you that four-fifths of auction sales are on foreign account—I appeal to gentlemen who represent others, if there is not the same proportion—this accounts at once for the rapid transition of the trade and commerce of the country from ours to foreign merchants. Trace it in its consequences through society, you will find none exempt from suffering; realise the time which is fast approaching, when your importations are on foreign account, eight or ten auctioneers doing the business of your sea ports; leave the interest of manufactures out of view as unworthy of notice, but look to other classes, other occupations in and round our great cities—contemplate the scene of desolation that opens to your view then console yourselves, if you can, with the reflection: “It is better somewhere else;” others flourish, though we are destroyed.

It is worth while to look to other effects of Auction sales which have now swelled into an extent and grown into a system which not only impoverishes, but cheats and defrauds the people to an extent not easily



calculated. Information from a gentleman of great respectability and intelligence who has been employed three years in a great Auction House, and who speaks from his actual observation, enables me to say that the difference between order goods (sent for by our merchants) and auction goods (consigned by foreigners) is at least 20 per cent, artfully made, carefully packed, none but good judges can discriminate the mass of purchasers in the hurry and confusion of an auction sale are unable to compare and judge. They are allured by a low price, as they buy to sell again—profit—and not quality is the great object; the country is filled with worthless articles, and however great the fraud, I find from this advertisement that “damages must be applied for in six days from the sale,” sizes and width of the goods are copied from the invoices but are not warranted,” is another condition of these sales, there is opened another reason why auction goods are cheap. They are made for this kind of sale, *manufactured to meet these conditions*.—I am told that in private sales of broad cloth five per cent is allowed for short measure; that is if a piece measures 20 yards, you pay for 19. This tells me if the piece contains 19 yards you pay for 20 at auction, making a difference of 10 per cent. I am not enough initiated to know how much is gained in the width, an inch or two would be noticed but a little, but would count in the cost a good deal. I have heard too of such things as *puffs employed and sham sales to the knowing ones to regulate the price—to the simple ones*, and other et ceteras too tedious to enumerate—Among many other means of injuring our manufactures, is the practice of making goods of a bad quality in exact imitation of domestic, so that they may have a bad reputation in the market and suffer in comparison with the foreign; the difference not discerned by common observation, is known only when the articles come into use.

It is difficult to ascertain the amount of Auction Sales; in New York the duties paid to the state the last year were 141,000 dollars. But, the mode of

conducting them does not make it necessary to return all sales ; such for instance as are made by the partners of the Auctioneers, which are regulated by the sale at Auction of a number of packages sufficient to fix the price of a large quantity. I find it is common to advertise A. B. Auctioneer C. D. Commission Merchant. Sales by the latter are not returned in the amount of duties. It is probably not overrating them in that place at 15,000,000 a year ; the greater part by not more than ten Auctioneers. In the first three months of the present year, about 10,000 packages of dry goods were sold at auction ; in the first fifteen days of this month about 2,000. Connect this with the fact that three fourths of the importations are on foreign account, and an idea may be formed of the extent and general mischief of these sales ; I need not dilate on the consequences of business being thus almost monopolized by a few, the country glutted with worthless goods,—every class of society except the auctioneer, suffering severely and calling on you for redress. If these complicated evils were temporary, if the evils themselves were diminishing, there would be less reason for your interference. But the reverse in all respects is true. Do not rely on my statements or on the documents to which you have been referred ; ask those who are daily witnesses of the progress of this wide spreading ruin, look to the petitions which come to you from tens of thousands of your citizens ; not manufacturers merely, but merchants, mechanics, owners of houses and ships, all join in deprecating a common calamity. Injurious as auctions are to the great interest of the country, it is not intended to abolish or prohibit them ; the bill proposes a duty of ten per cent on manufactured articles, and will not put the American and foreign merchants on terms of fair and equal competition. The foreigner can afford to pay this to avoid the numerous expences which would attend his residence among us, in managing private sales ; this I feel justified in saying from the almost unanimous opinion of those best conversant

with the subject. With cash payment of the duties, it would no doubt for the present have considerably checked and perhaps ultimately have stopped them. But with the present credits the effect will be but little felt as tending to a prohibition. It is to be hoped it will lessen them, and give a fair proportion of the sales to our own citizens; it will be, at all events a tax to that amount; an offset to the numerous and great facilities now afforded to foreign importations and sales; the importer, manufacturer and the treasury will participate in the benefits. An additional duty of five per cent is proposed when the sale is in quantities less than they were imported. This is necessary for the protection of the small dealers and retailers. Auctioneers now sell by the yard as well as the piece, and aim at a perfect monopoly as well as the capitalist or the small trader; it cannot be necessary to dwell on the propriety of imposing a heavy tax if not an effectual prohibition on this part of the system. Though the petitions all concur in asking a duty of ten per cent on all auction sales without regard to the kind of goods, we have not extended it to such as are imported by our merchants, and do not interfere with the fair competition between ours and foreign manufactures. On all articles not manufactured it is proposed to impose two, and on American manufactures one per cent, these are for revenue. The former auction duty produced about 800,000 dollars a year; that too, during the war, when there were but few imported goods in the country; this will probably produce a much larger amount, and I hope will remove objections which have been made to the other bills by those who are alarmed at the state of the treasury, and object to the measures proposed by the committee as tending to impair it. We have in all of them connected this with our other objects consistently with the plan first avowed; to protect the industry of the nation against foreign competition, then tax it its fair proportion of the public burthens. I hope it may not be deemed injurious to commerce, as it is called for by



he almost unanimous voice of the merchants as necessary for their assistance ; or to agriculture, as without it the seaports will be depopulated and its only remaining market taken away ; and to manufactures I need not say that the measure is without its importance ; as it can injure no interest, is called for by all, perhaps it may escape the fate of the last one, and at least one thing be done by general concurrence. If a measure like this, cannot be adopted, I shall indeed despair of any relief for the distresses of the people ; it seems to me that no one ought to, or can be willing to permit this thing to regulate itself, if an evil of this magnitude cannot be checked, government is almost an useless burthen, if the interests which are prostrated by auction sales are not worthy of protection, I know of none that are.

I am aware of one ground of opposition to this bill which arises from the revenue derived by the states of New York and Pennsylvania, and perhaps some others from these sales. It is a matter of regret that the general good should call for a measure injurious to any part of the union ; but it would be a source of still deeper, that local interests should prevent its adoption. As a mere revenue bill, or as one tending to the benefits of only one class or body of men, I would deem it a duty to the state which I in part represent, to oppose the diminution of its revenues at a time when its treasury requires every aid. But I would be an unworthy representative of that great and disinterested state ; if however dear its interests may be to me, I would not yield to considerations of general concern. As a part of a general system for the protection of national industry, this measure has become indispensable, it is not the character of the state, it is not the wish of its representatives, to prefer local to general objects, the sacrifice will however be but nominal, the merchants protected and enabled by this bill to prosecute their business, will cheerfully pay by a tax on licences to sell foreign goods, the same revenue now derived from auctions if their amount

should be diminished. But I am abundantly satisfied that it will be much less than is feared. The long credits of the custom-house will be found to amply compensate for the duty and auction sales. *The former are the cause, the latter the effect.* As we have been unable to diminish them, the only resource is now in this measure, which it is doubly incumbent on you to adopt and to guard against all evasion. When a system has grown to the extent of this, when it has so far attained to a monopoly, that as I am informed from most respectable authority, the profits of one auction firm have exceeded 100,000 dollars a year, it is to be expected that great efforts will be made to counteract and evade the provisions of a law calculated to impair the extent of their operations. On this subject great pains have been taken by the committee in the details of the bill, and we believe they will be efficient.

I find gentlemen from all parts of the union agree, as to the state and condition of our commerce; if I have been mistaken in assigning the causes, they are called on to correct me, and assign the true ones. If this bill will not check its embarrassments to say what will. They will remember that auctions are a regulation of commerce on the part of the States, by making public sales a monopoly in the hands of a few; if it is a convenient mode of selling, it ought to be free and open to all; if otherwise, let it be a source of revenue, a mean of equalizing sales on foreign and American account—shaped and controled so as to promote and not be permitted to destroy the general good. Tho' these sales are not the ultimate they are the operating cause of most of the distress which is now so general. Connected with and as a consequence of the effect of long credits, they are the instruments which fill the country with foreign goods of a bad quality and low price, destroying competition either by the manufacturer or merchant; enabling a few to do the business of thousands—drawing from us all our resources, giving employment and activity to none. To bal-

ance these evils there is but one advantage which might formerly exist, but has long since ceased : the diminution of the price to the consumer. It is well known and generally admitted, that the difference in price is not equal to the difference in quality and measure ; the apparent loss to the importer is a real gain ; the apparent gain to the purchaser a real loss. These reasons would justify a total prohibition, and the time may not be distant when this will become necessary. Auction sales must be checked ; if this bill should pass, we can find from its effects whether the duties ought to be lessened or increased ; the general effects on all classes of the community, are such as I think ought to unite us all in going at least to the extent proposed ; it will enable us to ascertain the sources of the general depression ; if this is not the proper remedy, experience will point it out—till some other causes are assigned, some other cures proposed, I must feel it my duty to press the adoption of this.

It is very unpleasant to be obliged to differ from those who are friendly to this bill, as to its effects ; as it is one which was called for principally by the petition of merchants, great pains have been taken to acquire from them such information as would enable the committee to unite theirs with the manufacturing interest. It was not intended to prohibit auction sales, and that it will not—I must be allowed to speak with confidence, arising, not from conjecture, but facts and assurances, the result of accurate calculations furnished from sources entitled to the most perfect credit.—I defend it as a measure necessary to place the American merchant on fair competition in our market, as necessary to prevent the introduction and consumption of inferior goods, deficient in measure as well as quality ; to diminish the temptation to purchase that which is nominally cheap, but really dear ; to prevent the country from being so completely overstocked as to repress all efforts to bring our own fabrics into competition with foreign.—Not as an exclusion of the foreigner or foreign goods from a fair chance on equal terms. Com-



petition is the security of the people from imposition, but it cannot exist where there is a monopoly.—One gentleman speaks of a monopoly of selling cheap, as one to be favored; if such a monopolist will give any assurance that he will continue to sell thus cheap, when he has the complete command of the market, there may be some reason to permit him to enjoy it. But let the foreign merchant and manufacturer once put down the domestic, let them command the supply of the country, and competition will cease; one year's profits will make up for all former losses—if the foreigner's extortions should again raise our establishments, so as to create some competition, he will for a time reduce his prices till our manufacturers, tired of the endless fluctuation, will forever abandon them in despair. There must be a system, steady and uniform in its operations, some general measures by which the faith of the nation will be pledged to support its true interests, not growing out of a policy which merely resorts to temporary expedients for raising revenue, and changes with all its ebbs and flows. Manufactories are the work of time, their perfection is progressive and gradual, those concerned cannot invest, withdraw and reinvest their capital to suit every surplus or deficit in your treasury. Every consideration should induce you to give them no encouragement, afford them no protection, or to give in to the extent of the national objects which require it—the state of your commerce points this out as the only means of its safety: your shipping and importing merchants want some assurance from you, that they will not be abandoned and their interest sacrificed, by your refusal to shape your systems according to the events which control their operation. Examine the petitions which call for this law; look to the consequences which merchants tell you will inevitably flow from auction sales, if they continue uncontrolled or undisturbed: they call on you to regulate them as the only means by which they can be restored to employment. You have refused to go to the sources of the cause which produces the effects

which they deprecate; you must now aim at the effects themselves. In doing it in the manner proposed by this bill, you aid all the great interests of the nation in the only mode which is practicable and efficient—It will secure to agriculture a market, to your merchants your trade, and remove one great impediment to the success of our manufactures—call it encouragement if you please, it is necessary: they have struggled long, and hard; their importance has not been duly estimated. Now in their decline they require permanent, not temporary, but efficient support, tho' not injurious to the country. Gentlemen who complain so much of the measures we have recommended, have not taken the trouble to examine our present systems, the great encouragement to foreign importations which they hold out, and the powerful obstacles they present to our industry. The measures we have proposed are no more than are necessary, to enable our manufacturers to come into fair and equal competition; but if they gain the entire command of the home market, we have abundant evidence of the salutary effects of such a measure. I must again refer the House to the fact, that the high duties on coarse cottons have nearly, if not wholly, excluded the foreign article, the domestic competition has improved the quality, and diminished the price: they are now made at a price less by nearly one half than they ever were imported. I state the fact with perfect confidence no one will or can contradict it; it is confessedly true. With evidence of this conclusive kind to answer them, I hope gentlemen will not insist that the encouragement of our manufactures is a bounty to the few at the expense of the many; that domestic monopoly will tend to increase the price to the consumer. Facts like these and practical observations of their effects, are the best means of testing measures of national policy—that command of the market encourages the competition and reduces the price, we have now ascertained by a fair experiment for four years, can there be a better reason offered for so modifying our system as to embrace other articles

which are necessary for our comfort and wants?—In adopting a principle which has produced the same results wherever it has been brought into operation, we can certainly be exposed to no risks ; but if we abandon it, leave foreign bounties, custom-house credits and auction sales, to operate without restriction or counteraction, are you not trusting to theories which no other nation has followed but ours, which we are now called on by the strongest expressions of public opinion, the most alarming evidence of general distress, to explode ? When you complain of the extravagant protection asked for our industry, look to your own laws for the almost boundless encouragement offered to foreign. If your custom-house bounties must continue, if your accumulated regulations to favour imports are too sacred to be touched, at least tax and tax highly those monopolists, those monopolising sales, made such by state authority, which take from our own citizens not only all chance of competing in the manufacturing, but the distribution of the articles of consumption. In pretending to guard alike the great interests of the country, preserve at least the semblance of impartiality. If one part of yours, or any state system, gives a bounty or a premium to foreign industry over ours, check and countervail it, if no farther, at all events so as to equalize, to afford some competition. In your zeal to guard against a domestic, do not create a foreign monopoly—in putting it out of the power of manufacturers to continue their establishments, for fear of excessive profits, are you sure that the merchants will not avail themselves of the power you thus give them—I am not aware of any greater security from imposition by them.

We are told of ten per cent. as the regular mercantile profit on foreign importations.—I had thought the rule was what an article would bear depending on the quantity and demand ; that those were the standard by which to estimate and class the profits ; the gentleman surely could not have referred to the last war, and he will find himself as far mistaken, in calculating profits at ten per cent. if there is once a command of the mar-



ket by those who are neither bound to the government or people of this country by any tie or obligation. Let me again ask the gentlemen if they prefer a foreign to a domestic monopoly; the supply of our market to be in the hands of those who are identified with the prosperity of the nation, or those who can prosper only by our adversities.—This bill is necessary to guard against such a monopoly, by enabling our merchants to compete with foreign; this is its great object; it is not a manufacturing bill, tho' important as part of a system for the protection of that interest; its operation may not be very decisive. The great cause of the declension of domestic industry is the extent of foreign importations, the supplying the demands of the country from foreign sources—*not the mode of selling or the persons who sell*, whether at auction or private sale; if our supply must be from abroad, you will see how little will be gained to manufactures, by changing the distribution from one set of merchants to another—but as a part of a great system necessary to guard all the industry of the nation, to put heavy clogs on sales which are destroying all, I hope you will see the necessity of its adoption. Gentlemen may talk as they please about the necessary hostility between agriculture, commerce and manufactures; but in their zeal against the latter they are sure to injure the former—look round the country, you find them all alike depressed by the same causes; trace their progress in other nations; they go hand in hand, mutually giving and receiving support—the universal sentiment of the people expressed in their toasts on all national festivals, “Agriculture, Commerce and manufactures,” has arisen from experience and observation of their intimate connection in a firm and permanent state of things. The time has been when, during the twenty-five years of the tornado in Europe, the wants by other nations of our produce as well as carriers for their own, held out such inducements to agriculture and commerce as made us overlook manufactures, and think their prosperity inconsistent with a flourishing com-

merce. The unexampled continuance of this state of things has led us to believe it the natural course of events, which is only checked by a peace; to resort to expedients of all kinds to keep off a system which our distresses will make inevitable; to trust to vain and illusory hopes of a recurrence of events beyond all human probability; disregarding experience, the conviction of reason, and the embarrassments which now reach every man in the community—No gentleman can point out an injury which this bill will do to any interest in the country, I understand the source of the opposition, it tends to benefit manufactures; the friends of commerce ought to pause before they carry the opposition too far. The effects of auction sales have become alarming; they threaten to depopulate two of your proudest commercial cities; all classes join in their petitions; though these evils may not be so severely felt in other places, I beg gentlemen who represent them to remember, that the evil has become firmly fixed, is rapidly spreading, and will soon reach them. They must not indulge in fancied security for themselves, or feel indifference for the distresses of their neighbours, not of one class or interest, but all. This bill is necessary to save our commerce and merchants; it is astonishing to me that it can be opposed by those who profess to be their friends. Cannot they judge for themselves, do not their petitions speak to you in a language which you will believe? The Tariff was opposed, and the custom-house bill defeated, because they were thought unfavourable to commerce.—I now call on the gentlemen to show their sincerity in advocating this bill which is imperiously called for, more for the protection of that interest than any other, by at least nine-tenths of the merchants of New-York, Philadelphia and Baltimore;—from the interior and west, the call has not been so imperious—the evil has not and can never be so deeply felt. If our manufactures are to be prostrated; if the credits on lands are to be taken away, and yours continued on imported goods; if we are to be the mere consumers of the pro-

duce of other countries ; the commercial interest must reflect well on the mighty importance to us of checking auction sales ; of the danger of arraying itself against a strong and growing interest ; we are in our infancy ; but it will soon be manhood. You can easily trace the march of wealth and power—it is to the west. It was one of the earliest lessons I was taught, to conciliate and be on good terms with boys—they will soon be men : let me recommend this lesson to the commercial opponents of this bill, and point their attention to the next census. This, of all others, is a time for union, for common action ; each must give up something to save all from the ruinous effects of your present systems. *Live and let live*, is a good rule for individuals and should be adopted by legislators. Here is a measure of a national character ; it will benefit all interests for which any of us are concerned, though not in the same degree, we must not calculate the proportions, but only whether it is not necessary and indispensable—It is not the less interesting to me because it is peculiarly beneficial for merchants ; goaded, abused, as I have been, it shall not provoke me to hostility ; the allusions I have made must not be called the language of threats, but taken as the caution and advice of a friend. Commerce, no more than manufactures, can support itself against foreign competition and your indifference ; it requires legislative aid, which must be freely and liberally afforded, not for its exclusive benefit and the injury of other interests equally interesting ; it requires none such, for there is in this country one community of interests : national measures will promote and save all alike ; the commerce of the nation cannot be benefited by measures that will destroy the agriculture and manufactures, they are its only materials ; they rest too on commerce as the only means of distributing its products : sensible of this the committee feel a consciousness that they have been true to these principles—that their measures have not been partial in their design, or, if adopted, will prove so in their operation. They, at all events, must be exempt-



ed from this charge. Though convenient and useful for the protection of manufactures, the general principles and details will be found to be cautiously devised for the protection and benefit of the American merchant, and I believe has met with their general and unqualified approbation. Though emanating from a committee of manufactures, it has excited no jealous fears except in this house—there is no alarm in the sea-ports, it is strange to me there is any here; still stranger, when I see the quarter from which it comes. While there is a disposition to make a common cause; to do as much for one as the other interests of the country, let me entreat gentlemen to cultivate and avail themselves of this generous feeling; to abandon the delusive hopes which, contrary to their own convictions, they still indulge. Commerce is not and will not be what it was—it has departed from us and can only be reclaimed by legislation—cannot regulate itself, has been destroyed for the want of regulations which this bill calls for. It must not be opposed because it contains protection to others—commerce ought not to be the exclusive, though a principal, object of our care: we must look for the causes which have given it a proud preeminence—they have ceased and cannot recur. It has been in a long fever, an unnatural state of excitement, buoyed up by foreign aid, now it is met by foreign competition, the natural, obvious effects of a general peace, which will be more and more felt by its continuance: to resume the sphere of its former action has become impossible; to open new ones, to retain what is left, other means must be resorted to, than to rely on the expectations of events which can never happen. The supremacy of commerce has passed—it is our imperious duty to aid and protect it, but not to make it the sole object of our concern; if its friends urge and persist in these pretensions, they must look to the consequences. Hitherto the country has united in its support, let it not be spoiled by indulgence; its operations examined too minutely, and its extravagant preten-

sions to exclusive protection unite against it the two other great classes of society—I am anxious to avoid, to avert these dangers; to take advantage of this time to adopt salutary national measures, necessary for the general welfare—you cannot without ruin to all separate the great sources of national wealth and power—you must recur to principles applicable to your present situation, and make allowances for the changes in our relations with other nations—these will account for the state of our agriculture, commerce and manufactures, and ought to convince you of the duty of immediate action. For myself I much regret that any excitement should have been caused by the measures offered for your adoption; that there should be thought to be any hostility between the great interests which I think alike deserving of support; if there is any it is beyond my perception—not only unseen but unfelt by me. If these measures are defeated, or kept off till public distress forces their enactment; if there should be then a disposition in what must some day be the preponderating interest of the country, to act alone for itself; I beg the house to remember that such a disposition is not to be found in these bills; that it has not been avowed or evinced by me, that I here publicly deprecate such a spirit, and in a warning voice entreat others not to indulge it.

## SPEECH OF MR CLAY,

IN FAVOUR OF THE NEW TARIFF BILL.

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WHATEVER may be the value of my opinions upon the interesting subject now before us, they have not been hastily formed. It may possibly be recollected by some gentlemen, that I expressed them when the existing tariff was adopted; and that I then urged, that the period of the termination of a war, during which the manufacturing industry of the country had received a powerful spring, was precisely that period when government was alike impelled by duty and interest, to protect it against the free admission of foreign fabrics, consequent upon a state of peace. I insisted, on that occasion, that a less measure of protection would prove more efficacious, at that time, than one of greater extent at a future day. My wishes prevailed only in part; and we are now called upon to decide whether we will correct the error which, I think, we then committed.

In considering the subject, the first important inquiry that we should make is, whether it be desirable that such a portion of the capital and labour of the country should be employed in the business of manufacturing, as would furnish a supply for our necessary wants. Since the first colonization of America, the principal direction of the labour and capital of the inhabitants has been to produce raw materials for the consumption or fabrication of foreign nations. We have already had, in great abundance, the means of subsistence; but we have derived chiefly from other countries our clothes and the instruments of defence. Except during those interruptions of commerce arising from a state of war, or from measures adopted for vindicating our commercial rights, we have experienced



no very great inconvenience heretofore from this mode of supply. The limited amount of our surplus produce resulting from the smallness of our numbers, and the long and arduous convulsions of Europe, secured us good markets for that surplus in her ports or those of her colonies. But those convulsions have now ceased, and our population has reached nearly ten millions. A new epoch has arisen ; and it becomes us to deliberately contemplate our own actual condition, and the relations which are likely to exist between us and the other parts of the world. The actual state of our population, and the ratio of its progressive increase, when compared with the ratio of the increase of the population of the countries which have hitherto consumed our raw produce, seem to me alone to demonstrate the necessity of diverting some portion of our industry from its accustomed employment. We duplicate our population in about the term of twenty-five years. If there be no change in the mode of exerting our industry, we shall duplicate, in the same term, the amount of our exportable produce. Europe, including such of her colonies as we have free access to, taken altogether, does not duplicate her population in a shorter term, probably, than one hundred years. The ratio of the increase of her capacity of consumption, therefore, is, to that of our capacity of production, as one is to four. And it is manifest, from this simple exhibition of the powers of the consuming countries, compared with those of the supplying country, that the former are inadequate to the latter. It is certainly true, that a portion of the mass of our raw produce, which we transmit to them, reverts to us in a fabricated form, and that this return augments with our increasing population. This is, however, a very inconsiderable addition to their actual ability to afford a market for the produce of our industry. I believe that we are already beginning to experience this want of capacity in Europe to consume our surplus produce. Take the great articles of cotton, tobacco, and bread-stuffs. For the latter we have scarcely any foreign demand. And is there not reason

to believe that we have reached, if we have not passed the maximum of the foreign demand for the other two articles? Considerations connected with the cheapness of cotton, as a raw material, and the facility with which it can be fabricated, will probably make it be more and more used as a substitute for other materials. But after you allow to the demand for it the utmost extension of which it is susceptible, it is yet *limited*; limited by the number of persons who use it, their wants and their ability to supply them. If we have not reached, therefore, the maximum of the foreign demand, as I believe we have, we must soon fully satisfy it. With respect to tobacco, an article affording an enjoyment not necessary, as food and clothes are to human existence, the foreign demand for it is still more precarious, and I apprehend that we have passed the limits of it. It appears to me, then, that, if we consult our interest merely, we ought to encourage domestic manufactures. But there are other motives recommending it, of no less importance.

The wants of man may be classed under three great heads—food, raiment and defence. They are felt alike in the state of barbarism and in that of civilization. He must be defended against the ferocious beasts of prey in the one condition, and against the ambition, violence, and injustice, incident to the other. If he seeks to obtain a supply of those wants, without an equivalent, he is a beggar; if by promising an equivalent which he cannot give, he is fraudulent: and if by commerce in which there is a perfect freedom on his side, whilst he meets with nothing but restrictions on the other, he submits to an unjust and degrading inequality. What is true of individuals is equally so of nations. The country, then, which relies upon foreign nations for either of those great essentials, is not, in fact, independent. Nor is it any compensation for our dependance upon other nations, that they also are dependent upon us, if it were true. Every nation should anxiously endeavor to establish its absolute independence, and consequently, to feed and clothe and

defend itself. if it rely upon a foreign supply, *that* may be cut off by the caprice of the nation making it, by war with it, or by war even with other nations. But it is not true that any other nations depend upon us, in a degree any thing like equal to that of our dependence upon them, for the great necessities to which I have referred. Every other nation seeks to supply itself with them from its own resources ; and, so strong is the desire which they feel to accomplish this purpose, that they exclude the cheaper foreign article for the dearer home production. Witness the English policy in regard to corn. So selfish, in this respect, is the conduct of other powers, that, in some instances, they even prohibit the produce of the industry of their *own* colonies, when it comes into competition with the produce of the parent country. All other countries, but our own, exclude, by high duties, or absolute prohibitions, whatever they can respectively produce within themselves. The truth is, and it is in vain to disguise it, that we are a sort of independent colonies of England—politically free, commercially slaves. Gentlemen tell us of the advantages of a free exchange of the produce of the world. But they tell us of what never existed, does not exist, and perhaps never will exist. They invoke us to give perfect freedom on our side, whilst, in the ports of every other nation, we are met with a code of odious restrictions, shutting out entirely a great part of our produce, and letting in only so much as they cannot do without. I shall hereafter examine their favourite maxim, of leaving things to themselves, more particularly. At present I will only say, that I am a friend to free trade, but it must be a free trade of perfect reciprocity. If the governing consideration were cheapness ; if national independence were to weigh nothing ; if honor nothing ; why not subsidize foreign powers to defend us ? Why not hire Swiss or Hessian armies to protect us ? Why not get our arms of all kinds, as we do, in part, the blankets and clothing of our soldiers, from abroad ? We should



probably consult economy by these dangerous expedients.

But, say gentlemen, there are to the manufacturing system some inherent objections, which should induce us to avoid its introduction into this country ; and we are warned by the example of England, by her pauperism, by the vices of her population, and her wars. It would be a strange order of providence, if it were true, that he should create necessary and indispensable wants, and yet should render us unable to supply them, without the degradation or contamination of our species.

Pauperism is, in general, the effect of an overflowing population. Manufactures may undoubtedly produce a redundant population ; but so may commerce, and so may agriculture. In this respect they are alike ; and, from whatever cause the disproportion of a population to the subsisting faculty of a country may proceed, its effects of pauperism is the same. Many parts of Asia would exhibit, perhaps, as afflicting effects of an extreme prosecution of the agricultural system, as England can possibly furnish us respecting the manufacturing. It was not, however, fair to argue from these extreme cases, against either the one system or the other. There are abuses incident to every branch of industry, to every profession. It would not be thought very just or wise to arraign the honorable professions of law and physic, because the one produces the pettefogger, and the other the quack. Even in England, it has been established by the diligent search of Colquhoun, from the most authentic evidence, the judicial records of the country, that the instances of crime were much more numerous in the agricultural, than in the manufacturing districts ; thus proving that the cause of wretchedness and vice in that country, was to be sought for, not in this or that system, so much as in the fact of the density of its population. France resembles this country more than England, in respect to the employments of her population ; and we do not find that there is any thing in the condition of the ma-

nufacturing portion of it which ought to dissuade us from its introduction into our own country. But even France has not that great security against the abuses of the manufacturing system, against the effects of too great a density of population, which we possess in our waste lands. Whilst this resource exists, we have nothing to apprehend. Do capitalists give too low wages; are the labourers too crowded, and in danger of starving? The unseated lands will draw off the redundancy, and leave the others better provided for. If an unsettled province, such as Texas, for example, could, by some convulsion of nature, be wafted along side of, and attached to, the island of Great Britain, the instantaneous effect would be to draw off the redundant portion of its population, and to render more comfortable both the emigrants and those whom they would leave behind. I am aware that, whilst the public domain is an acknowledged security against the abuses of the manufacturing or any other system, it constitutes at the same time an impediment, in the opinion of some, to the success of manufacturing industry, by its tendency to prevent the reduction of the wages of labour. Those who urge this objection, have their eyes too much fixed on the ancient system of manufacturing, when manual labor was the principal instrument which it employed. During the last half century, since the inventions of Arkwright, and the long train of improvements which followed, the labor of machinery is principally used. I have understood, from sources of information which I believe to be accurate, that the combined force of all the machinery employed by Great Britain, in manufacturing, is equal to the labour of one hundred millions able-bodied men. If we suppose the aggregate of the labour of all the individuals which she employs in that branch of industry, to be equal to the united labour of two million able-bodied men, and I should think it does not exceed it, machine labour will stand to manual labour in the proportion of one hundred to two. There cannot be a doubt that we have skill and enterprise enough to command the re-

quisite amount of machine power. There are, too, some checks to emigration from the settled parts of our country to the waste lands of the west. Distance is one, and it is every day becoming greater and greater. There exists also, a natural repugnance, felt less, it is true, in the United States than elsewhere, but felt even here, to abandoning the place of our nativity. Women and children, who could not emigrate, and who would be comparatively idle if manufactures did not exist, may be profitably employed in them. This is a very great benefit, I witnessed the advantage resulting from the employment of this description of our population, in a visit which I lately made to the Waltham manufactory, near Boston. There some hundreds of girls and boys were occupied in separate apartments. The greatest order, neatness, and apparent comfort, reigned throughout the whole establishment. The daughters of respectable farmers; in one instance I remember the daughter of a senator in the state legislature, were usefully occupied. They would come down to the manufactory, remain perhaps some months, and return, with their earnings, to their families, to assist them throughout the year. But one instance had occurred, I was informed by the intelligent manager, of doubtful conduct on the part of any females; and, after she was dismissed, there was reason to believe that injustice had been done her. Suppose that establishment to be destroyed, what would become of all the persons who are there engaged so beneficially to themselves, and so usefully to the state? Can it be doubted that, if the crowds of little boys and girls who infest this capitol; and assail us every, day at its very doors, as we come in and go out, begging for a cent, were employed in some manufacturing establishment, it would be better for them and the city? Those who object to the manufacturing system should recollect, that constant occupation is the best security for innocence and virtue, and that idleness is the parent of vice and crime. They should contemplate the labouring poor with employment, and ask themselves



what would be their condition without it? If there are instances of hard taskmasters among the manufacturers, so there are in agriculture. The cause is to be sought for, not in the nature of this or that system, but in the nature of man. If there are particular species of unhealthy employments in manufacturing, so there are in agriculture also. There has been an idle attempt to ridicule the manufacturing system, and we have heard the expressions "spinning jenny tenure." It is one of the noblest inventions of human skill—it has diffused comforts among thousands who would have never enjoyed them but for it; and unborn millions will bless the man who invented it. Three inventions have distinguished the last half century, each of which if it had happened at long intervals of time from the other, would have been sufficient to constitute an epoch in the progress of the useful arts. The first was that of Arkwright; and our own country was entitled to the merit of the other two. The world is indebted to Whitney for the one, and to Fulton for the other. Nothing is secure against the shafts of ridicule. What would be thought of a man who should speak of a cotton gin tenure, or a steam boat tenure? In one respect there is a great difference in favour of manufactures, when compared with agriculture. It is the rapidity with which the whole manufacturing community avail themselves of an improvement. It is instantly communicated and put into operation. There is an avidity for improvement in the one system, an aversion from it in the other. The habits of generation after generation pass down the long track of time, in perpetual succession, without the slightest change in agriculture. The ploughman who fastens his plough to the tails of his cattle, will not own that there is any other mode equal to his. An agricultural people will be in the neighborhood of other communities who have made the greatest progress in husbandry, without advancing in the slightest degree. Many parts of our country are one hundred years in advance of Sweden in the cultivation and improvement of the soil.

It is objected, that the effect of the encouragement of home manufactures, by the proposed tariff, will be to diminish the revenue from the customs. The amount of the revenue from that source will depend upon the amount of importations, and the measure of these will be the value of the exports from this country. The quantity of the exportable produce will depend upon the foreign demand; and there can be no doubt that, under any distribution of the labor and capital of this country, from the greater allurements which agriculture presents than any other species of industry, there will always be a quantity of its produce sufficient to satisfy that demand. If there be a diminution in the ability of foreign nations to consume our raw produce, in the proportion of our diminished consumption of theirs, under the operation of this system, that will be compensated by the substitution of a home to a foreign market in the same proportion. It is true, that we cannot remain in the relation of seller only to foreign powers for any length of time; but if, as I have no doubt, our agriculture will continue to supply, as far as it can profitably, to the extent of the limit of the foreign demand, we shall receive not only in return many of the articles on which the tariff operates, for our own consumption, but they may also form the objects of trade with South America and other powers, and our comforts may be multiplied by the importation of other articles. Diminished consumption, in consequence of the augmentation of duties, does not necessarily imply diminished revenue. The increase of the duty may compensate the decrease in the consumption, and give you as large a revenue as you before derived.

Can any one doubt the impolicy of government resting solely upon the precarious resource of such a revenue? It is constantly fluctuating. It tempts us, by its enormous amount, at one time, into extravagant expenditure; and we are then driven, by its sudden and unexpected depression, into the opposite extreme.—We are seduced by its flattering promises into expenses which we might avoid; and we are afterwards

constrained, by its treachery, to avoid expenses which we ought to make. It is a system under which there is a sort of perpetual war between the interest of the government, and the interest of the people. Large importations fill the coffers of the government, and empty the pockets of the people. Small importations imply prudence on the part of the people, and leave the treasury empty. In war the revenue disappears ; in peace it is unsteady. On such a system the government will not be able much longer exclusively to rely. We all anticipate that we shall have shortly to resort to some additional supply of revenue within ourselves. I was opposed to the total repeal of the internal revenue. I would have preserved certain parts of it at least, to be ready for emergencies, such as now exist. And I am, for one, ready to exclude foreign spirits altogether, and substitute to the revenue levied on them a tax upon the spirits made within the country. No other nation lets in so much of foreign spirits as we do. By the encouragement of home industry, you will lay a basis of internal taxation, when it gets strong, that will be steady and uniform, yielding alike in peace and in war. We do not derive our ability from abroad to pay taxes. That depends upon our wealth and our industry ; and it is the same, whatever may be the form of levying the public contributions.

But it is urged that you tax other interests of the state to sustain manufacturers. The business of manufacturing, if encouraged, will be open to all. It is not for the sake of the particular individuals, who may happen to be engaged in it, that we propose to foster it ; but it is for the general interest. We think that it is necessary to the comfort and well-being of society, that fabrication, as well as the business of production and distribution, should be supported and taken care of. Now if it be even true, that the price of the home fabric will be somewhat higher, in the first instance, than the rival foreign article, that consideration ought not to prevent our extending reasonable protection to the home fabric. Present temporary inconvenience



may be well submitted to, for the sake of future permanent benefit. If the experience of all other countries be not utterly fallacious; if the promises of the manufacturing system be not absolutely illusory, by the competition which will be elicited, in consequence of your parental care, prices will be ultimately brought down to a level, with the foreign commodity. Now, in a scheme of policy which is devised for a nation, we should not limit our views to its operation during a single year, or for even a short term of years. We should look at its operation for a considerable time, and in war as well as peace. Can there be a doubt thus contemplating it, that we shall be compensated by the certainty and steadiness of the supply, in all seasons, and the ultimate reduction of the price, for any temporary sacrifices we make? Take the example of salt, which the ingenious gentleman from Virginia, [Mr. Archer,] has adduced. He says that during the war the price of that article rose to ten dollars per bushel, and he asks whether you would lay a duty, permanent in its duration, of three dollars per bushel, to secure a supply in war? I answer no: I would not lay so high a duty. That which is now proposed, for the encouragement of the domestic production, is only five cents per bushel. In forty years the duty would amount only to two dollars. If the recurrence of war shall be only after intervals of forty years of peace, and we may expect it probably oftener; and if, when it does come, the same price should again be given, there will be a clear saving of eight dollars, by promoting the domestic fabrication. All society is an affair of mutual concession. If we expect to derive the benefits which are incident to it, we must sustain our reasonable share of its burdens. The great interests which it is intended to guard and cherish, must be supported by their reciprocal action and re-action. The harmony of its parts is disturbed; the discipline which is necessary to its order is incomplete, when one of the three great and essential branches of its industry is abandoned, and unprotected. If you want to find

an example of order, of freedom from debt, of economy, of expenditure falling short of, rather than exceeding income, you will go to the well regulated family of a farmer. You will go to the house of such a man as Isaac Shelby. You will not find him resorting to taverns, engaged in broils, prosecuting angry law-suits. You will behold every member of his family clad with the produce of their own hands, and usefully employed; the spinning wheel and the loom in motion by day-break. With what pleasure will his wife carry you to her neat dairy, lead you into the store house, and point to the table cloths, the sheets, the counterpanes, which lie on this shelf for her daughter Sally, or that for Nancy, all prepared in advance, by her provident care, for the day of their respective marriages. If you want to see an opposite example, go to the house of a man, who makes nothing at home, whose family resorts to the store for every thing. You will find him perhaps in the tavern or the store at the cross roads. He is engaged with the rum-grog on the table taking depositions to make out some case of usury or fraud. Or perhaps he is furnishing to his lawyer the materials to prepare a long bill of injunction in some intricate case. The sheriff is hovering about his farm to serve some new writ. On court days which he never misses attending, you will find him eagerly collecting his witnesses to defend himself against the merchants' and doctors' bills. Go to his house; and after the short and giddy period that his wife and daughters have flirted about the country in their calico and muslin gowns, what a scene of discomfort and distress is presented you there! What the individual family of Isaac Shelby is, I wish to see the nation in the aggregate. But I fear we shall shortly have to contemplate its resemblance in the opposite picture. If statesmen would carefully observe the conduct of private individuals in the management of their own affairs, they would have much surer guides, in promoting the interest of the state, than the visionary speculations of theoretical writers.

The manufacturing system is not only injurious to agriculture, but, say its opponents, it is injurious also to foreign commerce. We ought not to conceal from ourselves our present actual position, in relation to the other powers. During the long war which has so much convulsed Europe, and which will probably be succeeded by a long peace, we transacted the commercial business of other nations, and largely shared, with England, the carrying trade of the world. Now, every other nation is anxiously endeavouring to transact its own business, to rebuild its marine, and to foster its navigation. The consequence of the former state of things was, that our mercantile marine and our commercial employment were enormously disproportionate to the exchangeable domestic produce of our country. And the result of the latter will be, that, as the exchanges between this country and other nations will hereafter consist principally, on our part, of our domestic produce, that marine and that employment will be brought down to what is necessary to effect those exchanges. I regret exceedingly this reduction. I wish that the mercantile class could enjoy the same extensive commerce that they did formerly. But, if they cannot, it would be a folly to repine at what is irrecoverably lost, and we should rather seek to adapt ourselves to the new circumstances in which we find ourselves. If, as I think, we have reached the maximum of the foreign demand for our three great staples, cotton, tobacco and flour, no man will contend that we should go on to produce more and more, to be sent to the glutted foreign markets, and consumed by devouring expenses, merely to give employment to our tonnage and our foreign commerce. It would be extremely unwise to accommodate our industry to produce, not what was wanted abroad, but cargoes for our unemployed ships. I would give our foreign trade every legitimate encouragement, and extend it wherever it can be extended profitably. Hitherto it has been stimulated too highly by the condition of the world, and our own policy acting on that condition. And we



are reluctant to believe that we must submit to its necessary abridgment. The habits of trade ; the tempting instances of enormous fortunes which have been made by the successful prosecution of it, were such that we turn with regret from the pursuit of it ; we still cherish a lingering hope ; we persuade ourselves that something will occur, how or what it may be, we know not, to revive its former activity ; and we would push into every untried channel, grope through the Dardanelles into the Black Sea, to restore its former profits. I repeat it, let us proclaim to the people of the United States the incontestible truth, that our foreign trade must be circumscribed by the altered state of the world ; and, leaving it in possession of all the gains which it can now possibly make, let us present motives to the capital and labour of our country to employ themselves in fabrication at home. There is no danger that by a withdrawal of that portion which is unprofitably employed on other objects, and an application of it to fabrication, our agriculture would be too much cramped. The produce of it would always come up to the foreign demand. Such are the superior allurements belonging to the cultivation of the soil to all other branches of industry, that it will always be preferred when it can be profitably followed. The foreign demand would, in any conceivable state of things, limit the amount of the exportable produce of agriculture. The amount of our exportations would form the measure of our importations, and, whatever these may be, they will constitute the basis of the revenue derivable from customs.

The manufacturing system is favorable to the maintenance of peace. Foreign commerce is the great source of foreign wars. The eagerness with which we contend for every branch of it ; the temptations which it offers, operating alike upon us and on foreign competitors, produce constant collisions. No country on earth, by the extent of its superficies, the richness of its soil, the variety of its climate, contains within its own limits more abundant faculties for supplying all our

rational wants, than ours does. It is not necessary or desirable, however, to cut off all intercourse with foreign powers. But, after securing a supply, within ourselves, of all the great essentials of life, there will be ample scope still left for preserving such an intercourse. If we had no intercourse with foreign states ; if we adopted the policy of China, we should have no external wars ; and in proportion as we diminish our dependence upon them, shall we lessen the danger of the recurrence of war. Our late war would not have existed if the councils of the manufacturers in England had been listened to. They finally did prevail, in their steady and persevering effort to produce a repeal of the orders in council ; but it was too late to prevent the war. Those who attribute to the manufacturing system the burthens and misfortunes of that country, commit a great error. These were probably a joint result of the operation of the whole of her systems, and a larger share of it was to be ascribed to her foreign commerce, and to the ambition of her rulers, than to any other cause. The war of our revolution, in which that ambition displayed its monstrous arrogance and pretensions, laid the broad foundation of that enormous debt under which she now groans.

The tendency of reasonable encouragement to our home industry is favourable to the preservation and strength of our confederacy. Now our connexion is merely political. For the sale of the surplus of the produce of our agricultural labour, all eyes are constantly turned upon the markets of Liverpool. There is scarcely any of that beneficial intercourse, the best basis of political connexion, which consists of the exchange of the produce of our labour. On our maritime frontier there has been too much stimulus, an unnatural activity ; in the great interior of the country, there exists a perfect paralysis. Encourage fabrication at home, and there would instantly arise animation and a healthfull circulation throughout all the parts of the republic. The cheapness, and fertility, and quantity of our waste land, offer such powerfull inducements

to cultivation, that our countrymen are constantly engaging in it. I would not check this disposition by hard terms in the sale of it. Let it be easily accessible to all who wish to acquire it. But I would counter-vail this predilection by presenting to capital and labour motives for employment in other branches of industry. Nothing is more uncertain than the pursuit of agriculture, when we mainly rely upon foreign markets for the sale of its surplus produce. In the first place, it is impossible to determine, *a priori*, the amount of this surplus; and, in the second, it is equally impossible to anticipate the extent of the foreign demand. Both the one and the other depend upon the seasons. From the fluctuations incident to these, and from other causes, it may happen that the supplying country will, for a long series of years, have employed a larger share of its capital and labour than is wise, in production to supply the wants of the consuming countries, without becoming sensible of its defective policy. The failure of a market does discourage the cultivator—he renews his labours another year, and he renews his hopes. It is otherwise with manufacturing industry. The precise quantum of its produce, at least, can with some accuracy be previously estimated---and the wants of foreign countries can be with some probability anticipated.

I am sensible, Mr. Chairman, if I have even had a success, which I dare not presume, in the endeavour I have been making to show that sound policy requires a diversion of so much of the capital and labour of this country from other employments as may be necessary by a different application of them, to secure, within ourselves, a steady and adequate supply of the great necessities of life, I shall have only established one half of what it is incumbent upon me to prove. It will be still required, by the other side, that a second proposition be supported; and that is, that government ought to present motives for such a diversion and new application of labour and capital, by that species of protection which the tariff holds out. Gentlemen say, we



agree with you ; you are correct in your first proposition, but "let things alone," and all will come right in the end. Now, I agree with them, that things would ultimately get right ; but not until after a long period of disorder and distress, terminating in the impoverishment, and perhaps ruin of the country. Dissolve government, reduce it to its primitive elements, and, without any general effort to reconstruct it, there would arise out of the anarchy which would ensue, partial combinations for the purpose of individual protection, which would finally lead to a social form, competent to the conservation of peace within, and the repulsion of force from without. Yet no one would say, in such a state of anarchy, let things alone ! If gentlemen, by their favorite maxim, mean only that within the bosom of the state, things are to be left alone, and each individual, and each branch of industry, allowed to pursue their respective interests, without giving a preference to either, I subscribe to it. But if they give it a more comprehensive import ; if they require that things are to be left alone, in respect not only to interior action, but as to exterior action also ; not only as regards the operation of our own government upon the mass of the interests of the state, but as it relates to the operation of foreign governments likewise operating upon that mass, I dissent from it.

The maxim, in this enlarged sense, is indeed every where proclaimed ; but no where practised. It is truth in the books of European political economists. It is error in the practical code of every European state. It is not applied, where it is most applicable ; it is attempted to be introduced here, where it is least applicable ; and even here its friends propose to limit it to the single branch of manufacturing industry, whilst every other interest is encouraged and protected, according to the policy of Europe. The maxim would best suit Europe, where each interest is adjusted and arranged to every other, by causes operating during many centuries. Every thing there has taken and preserved its ancient position. The house that was built centuries

ago, is occupied by the descendants of its original constructor. If one could rise up after the lapse of ages, and enter an European shop, he would see the same hammer at work, on the same anvil or last, and almost by the same hand. There every thing has found its place and its level, and every thing, one would think, might there be safely left alone. But the policy of the European states is otherwise—here every thing is new and unfixed—neither the state, nor the individuals who compose it, have yet settled down in their firm and permanent positions.

There is a constant tendency, in consequence of the extent of our public domain, towards production for foreign markets. The maxim in the comprehensive sense I am considering it, requires, to entitle it to observation, two conditions, neither of which exists. First, that there should be perpetual peace : and, secondly, that the maxim should be every where respected. When war breaks out, that free and general circulation of the produce of industry among the nations, which it recommends, is interrupted ; and the nation that depends upon a foreign supply of its necessities, must be subjected to the greatest inconvenience. If it be not every where observed, there will be, between the nations that do not, and the nation that does, conform to it, an inequality alike condemned by honor and by interest. If there be no reciprocity ; if, on the one side, there is perfect freedom of trade, and on the other a code of odious restrictions, will gentlemen still contend that we are to submit to such an unprofitable and degrading intercourse ? Will they require that we shall act upon the social system, whilst every other power acts upon the selfish ? Will they demand of us to throw widely upon our ports to every nation, whilst all other nations entirely or partly occlude theirs against our productions ? It is, indeed, possible, that some pecuniary advantage might be enjoyed by our country, in prosecuting the remnant of trade which the contracted policy of other powers leaves us. But what security is there for our continuing to enjoy even

that? And is national honor, is national independence, to count for nothing? I will not enter into a detail of the restrictions with which we are every where presented in foreign countries. I will content myself with asserting, that they take nothing from us which they can produce themselves, even upon worse terms than we could supply them. Take, again, as an example, the English corn laws. America presents the image of a fine generous hearted young fellow, who has just come to the possession of a rich estate; an estate which, however, requires careful management. He makes nothing; he buys every thing—he is surrounded by a parcel of Jews, each holding out his hand with a packet of buttons or pins, or some other commodity, for sale. If he ask these Jews to buy any thing which his estate produces, they tell him no; it is not for our interest; it is not for yours. Take this new book, says one of them, on political economy, and you will there perceive it is for your interest to buy from us, and let things alone in your own country. The gentleman from Virginia, to whom I have already referred, has surrendered the whole argument, in the example of the East India trade. He thinks that because India takes nothing but specie from us; because there is not a reciprocal exchange between us and India, of our respective productions, that the trade ought to be discontinued. Now I do not agree with him that it ought to be abandoned, though I would put it under considerable restrictions, when it comes in competition with the fabrics of our country. If the want of entire reciprocity be a sufficient ground for the total abandonment of a particular branch of trade, the same principle requires that, where there are some restrictions on the one side, they should be countervailed by equal restrictions on the other.

But this maxim, according to which gentlemen would have us abandon the home industry of the country to the influence of the restrictive systems of other countries, without an effort to protect and preserve it, is not itself observed by the same gentlemen, in regard to



the great interests of the nation. We protect our fisheries by bounties and drawbacks—we protect our tonnage, by excluding or restricting foreign tonnage, exactly as our tonnage is excluded or restricted by foreign states. We passed, a year or two ago, the bill to prohibit British navigation from the West India colonies of that power to the United States, because ours is shut out from them. The session prior to the passage of that law, the gentleman from South Carolina and I, almost alone, urged the house to pass it. But the subject was postponed until the next session, when it was passed by nearly an unanimous vote; the gentleman from South Carolina, and the two gentlemen from Virginia, [Messrs. Barbour and Tyler,] voting with the majority. We have now upon our table other bills connected with that object, and proposing restrictions upon the French tonnage, to countervail theirs upon ours, I shall with pleasure vote for these measures. We protect our foreign trade, by consuls, by a navy, by fortifications, by squadrons constantly acting abroad, by war, and by a variety of commercial regulations in our statute book. The whole system of the general government, from its first formation to the present time, consits almost exclusively in one unremitting endeavor to nourish, and protect, and defend the foreign trade. Why have not all these great interests been left to the operation of the gentleman's favorite maxim? Sir, it is perfectly right that we should have afforded this protection. And it is perfectly right, in my humble opinion, that we should extend the principle of it to the home industry. I am a friend to a foreign trade, but I protest against its being the monopolist of all the favour and care of this government.

But, sir, friendly as I am to the existence of domestic manufactures, I would not give them unreasonable encouragement, by protecting duties. Their growth ought to be gradual, but sure. I believe all the circumstances of the present period highly favourable to their success. But they are the youngest and weak-

est interest of the state. Agriculture wants but little or no protection against the regulations of foreign powers. The advantages of our position, and the cheapness and abundance and fertility of our land, afford to that greatest interest of the state almost all the protection it wants. As it should be, it is strong and flourishing ; or, if it be not, at this moment, prosperous, it is not because its produce is not ample, but because, depending as we do altogether upon a foreign market, for the sale of the surplus of that produce, the foreign market is glutted. Our foreign trade, having almost exclusively engrossed the protecting care of government, wants no farther legislative aid. And whatever depression it may now experience, is attributable to causes beyond the control of this government. The abundance of capital, indicated by the avidity with which loans are sought, at the reduced rate of 5 per cent. the reduction in the wages of labour, and the decline in the price of property of every kind, as well as that of agricultural produce, all concur favorably for domestic manufactures. Now, as when we arranged the existing tariff, is the auspicious moment for government to step in and cheer and countenance them.— We did too little then, and I endeavoured to warn this house of the effects of inadequate protection. We were called upon, at that time, by the previous pledges which we had given, by the inundation of foreign fabrics which was to be anticipated from their free admission after the termination of the war, and by the lasting interests of this country, to give them efficient support. We did not do it ; let us now repeat the error. Our great mistake has been in the irregularity of the action of the measures of this government upon manufacturing industry. At one period it is stimulated too high ; and then, by an opposite course of policy, it is precipitated into a condition of depression too low. First, there came the embargo ; non-intercourse and other restrictive measures followed, and then that greatest of all stimulants to domestic fabrication, war. During all that long time, we were adding to the posi-

tive effect of the measures of government, all the moral encouragement which results from popular resolves, and other manifestations of the public will and the public wish to foster our home manufactures, and to render our confederacy independent of foreign powers.—The peace ensued, and the country was flooded with the fabrics of other countries; and we, forgetting all our promises, coolly and philosophically talk of leaving things to themselves; making up for our deficiency of practical good sense, by the stores of learning which we collect from the theoretical writers. I, too, sometimes amuse myself with the visions of these writers, as I do with those of metaphysicians and novelists; and, if I do not forget, one of the best among them enjoins upon a country to protect its industry against the injurious influence operating upon it from the prohibitions and restrictions of foreign countries.

Monuments of the sad effects, upon our manufactures, of the fluctuating policy of the councils of the union in regard to them, abound in all parts of the country. Villages, and parts of villages, which sprang up but yesterday in the western country, under the excitement to which I have referred, are perishing and abandoned. In New England, in passing along the highway, one frequently sees large spacious buildings, with the glass broken out of the windows, the shutters hanging in ruinous disorder, cheerless, without any appearance of activity, and surrounded by a solitary gloom. Upon enquiring what they are, you are almost always informed that they were some cotton or other factory, which their proprietors could no longer keep in motion against the overwhelming pressure of foreign competition. Gentlemen ask for *facts* to show the propriety of protection to our manufactures. Do they want stronger evidence? They ask why the manufacturing industry is now resumed under the encouraging auspices of the present time? Sir, there is general dismay;—there is want of heart; there is the greatest moral discouragement. A man who engages in manufacturing business is thought by his friends to be deranged.—



Who will go to the site on which the ruins of Carthage or Balbec, to rebuild there a city? Let government commence a systematic, but moderate, support of this important branch of our industry. Let it announce the fixed purpose, that the protection of it, against the influence of the measures of foreign governments, enters into the scope of our national policy. Let us substitute to the irregular action of our measures one that shall be steady and uniform : and hope and animation and activity will again revive. The gentleman from South Carolina [Mr. Lowndes] offered a resolution, which the house rejected, having for its object to ascertain the profits now made upon capital employed in manufacturing. It is not, I repeat it, the individuals, but the interest we wish protected. From the infinite variety of circumstances under which different manufacturing establishments are situated, it is impossible that any information, such as the gentleman desires, could be obtained, that ought to guide the judgment of this house. It may happen that of two establishments engaged in the same species of fabrication, one will be prospering and the other labouring.—Take the example of the Waltham manufactory near Boston, and the Brunswick in Maine. The former has the advantages of a fine water situation, a manager of excellent information, enthusiastically devoted to its success. a machinist of a most inventive genius, who is constantly making some new improvement, and who has carried the water loom to a degree of perfection which it has not attained in England, and such as to reduce the cost of weaving a yard of cloth, adapted to shirting, to less than one cent per yard ; and it is abundantly supplied with capital by several rich capitalists in Boston. These gentlemen have the most extensive correspondence with all parts of the United States. Owing to this extraordinary combination of favourable circumstances, the Waltham establishment is doing pretty well ; whilst that of Brunswick, not possessing all of them but perhaps as many as would enable it, under adequate protection, to flourish, is la-

bouring hard. Would gentlemen infer, from the success of a few institutions having peculiar advantages, which form exceptions to the languishing condition of manufacturing industry, that there exists no necessity for protection? In the most discouraging state of trade and navigation, there were, no doubt, always some few individuals who were successful in prosecuting them. Would it be fair to argue, from these rare instances, against any measure brought forward to revive their activity?

The gentleman from Massachusetts, [Mr. Whitman,] has manifested peculiar hostility to the tariff, and has allowed himself to denominate it a mad quixotic, ruinous scheme. The gentleman is dissatisfied with the quarter (the west) from which it comes. To give higher tone and more effect to the gentleman's declamation, which is vague and indefinite, he has even assumed a new place in this house. Sir, I would advise the gentleman to return to his ancient position, moral and physical. It was respectable and useful. The honourable gentleman professes to be a friend to manufacturers! And yet he has found an insurmountable constitutional impediment to their encouragement, of which, as no other gentleman has relied upon it, I shall leave him in the undisturbed possession. The honourable gentleman a friend to manufacturers!—And yet he has delivered a speech, marked by peculiar emphasis, the whole of which is against their protection. The honourable gentleman a friend to manufactures! And yet he requires, if his constitutional difficulty could be gotten over, such an arrangement of the tariff as shall please him, although every one else should be dissatisfied. The intimation is not new, of the presumptuousness of western politicians, in endeavouring to contribute to give to the policy of this country such a direction as will assert its honour and sustain its interests. It was first made whilst the measures preparatory to the late war were under consideration, and it now probably emanates from the same quarter. The predilection of the school of the

**Essex Junto** for foreign trade and for British fabrics—I am far from insinuating that other gentlemen who are opposed to the tariff are actuated by any such spirit—is unconquerable. We disregarded the intimation when it was first made; we shall be uninfluenced by it now. If, indeed, there were the least color for the assertion, that the foreign trade is to be crushed by the tariff, is it not strange that the whole of the representation from all our great commercial seaports should unite to destroy it? The member from Boston, to whose national and disinterested course I am happy, on this, as on many other occasions, to be able to testify; the representatives from the city of New York, from Philadelphia, and from Baltimore, all entered into this confederacy to destroy it, by supporting this mad and ruinous tariff. Some gentlemen assert that it is too comprehensive—that it leaves no important interest unprovided for, recommends it to me.

The same gentlemen, or others, if it had been more limited, and would have objected to its partial operation. The general measure of the protection which it communicates, is pronounced to be immoderate and enormous. Yet no one ventures to enter into a specification of the particular articles of which it is composed, to show that it deserves thus to be characterized. The article of molasses has, indeed, been selected out, and held up, as an instance of the alleged extravagance. The existing tariff imposes a duty of 5 cents; the proposed tariff 10 cents, per gallon. We tax, very high, foreign spirits, and yet we let in with a very low duty, foreign molasses, which ought to be considered as rum in disguise, filling the place of so much domestic spirits. If the manufacture of spirits from molasses should somewhat decline, under the new tariff, the manufacture of spirits from the raw material, produced at home, will be extended in the same degree. Besides the incidental advantage of increasing the distillation of spirits from grain, there was hardly any item in the tariff which combined so many interests in supporting the proposed rate of duty.—



The grain growing country, and the culture of cane, would be all benefited by the duty. Its operation is said, however, to be injurious on a certain quarter of the union. It is not to be denied, that each particular section of the country would feel some one or more articles of the tariff to bear hard upon it, during a short period; but the compensation was to be found in the more favourable operation of others. Now I am fully persuaded that, in the first instance, no part of the union would more largely share than New England, in the aggregate, of the benefits resulting from the tariff. The habits of economy of her people, their industry, their skill, their noble enterprize, the stimulating effects of their more rigorous climate, all tend to insure to her the first and the richest fruits of the tariff. The middle and the western states would come in afterwards for their portion, and all would share in the advantage of internal exchange and circulation. No quarter of the union could urge, with a more ill grace than New England, objections to a measure, having for its object the advancement of the interests of the whole; for no quarter of the union participates more extensively in the benefits flowing from the general government. Her tonnage, her fisheries, her foreign trade, have been constantly objects of federal care, There is expended the greatest portion of the public revenue. The building of the public ships; their equipments; the expenses incident to their remaining in port, chiefly take place there. That great drain upon the revenue of the revolutionary pension law, tends principally to New England. I do not complain of these advantages which she enjoys. She is, probably, fairly entitled to them. But gentlemen from that quarter may, at least, be justly reminded of them, when they complain of the onerous effect of one or two items of the tariff.

Mr. Chairman, I frankly own that I feel great solicitude for the success of this bill. The independence of my country on all foreign states, as it respects a supply of our essential wants, has ever been with me a

favourite object. The war of our revolution effected our political emancipation. The last war contributed greatly towards achieving our commercial freedom.— But our entire independence will only be consummated after the policy of this bill shall be recognized and adopted. We have great difficulties to contend with; old habits, colonial usages, the obduracy of the colonial spirit, the enormous profits of a foreign trade, prosecuted under favourable circumstances, which no longer continue. I will not despair; the cause, I verily believe, is the cause of the country; It may be postponed; it may be frustrated for the moment; but it must finally prevail. Let us endeavour to acquire for the present congress the merit of laying this solid foundation of the national prosperity. If, as I think, fatally for the public interest, the bill shall be defeated, what shall be the character of the account which we shall have to render our constituents upon our return among them? We shall be asked, what have you done to remedy the disorders of the public currency? Why, the Secretary of the Treasury made us a long report on that matter, containing much valuable information, and some very good reasoning; but, upon the whole, we found the subject rather above our comprehension, and we concluded that it was wisest to let it regulate itself. What have you done to supply the deficit in the treasury? We thought that, although you are all endeavouring to get out of banks, it was a very good time for us to go into them, and we have authorized a loan. You have done something, then, certainly, on the subject of retrenchment. Here, at home, we are practising the greatest economy; and our daughters no longer able to wear calico gowns, are obliged to put on homespun. Why, we have saved, by the indefatigable exertions of a member from Tennessee, [General Cocke,] fifty thousand dollars, which were wanted for the Yellow Stone expedition. No, not quite so much; for thirty thousand dollars of that sum are still wanted, although we stopped the expedition at the Council Bluffs. And we have saved another

sum, which we hope will give you great satisfaction. After near two days debate, and a division between the two houses, we struck off two hundred dollars from the salary of the Clerk of the Attorney General. What have you done to protect the home industry from the effects of the contracted policy of foreign powers? We thought it best, after much deliberation, to leave things alone at home, and to continue our encouragement to foreign industry. Well, surely you have passed some law to reanimate and revive the hopes of the numerous bankrupts that have been made by the extraordinary circumstances of the world, and the ruinous effects of our own policy? No; the senate could not agree on that subject; and the bankrupt bill failed! Can we plead, sir, ignorance of the general distress, and of the ardent wishes of the community for that protection of its industry, which this bill proposes? No, sir, daily almost through the session, have we been receiving petitions, with which our table is now loaded, imploring us to extend this protection. Unanimous resolutions from important state legislatures have called upon us to do it, and the people of whole states, almost in mass; of New York, New Jersey, Pennsylvania, and Ohio, have transmitted to us their earnest and humble petitions to encourage the home industry. Let us not disappoint their just expectations. Let us manifest, by the passage of this bill, that congress does not deserve the reproaches which have been cast on it, of insensibility to the wants and the sufferings of the people.

*THE END.*



























